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Volume XXII] *March, 1907* [*Number 1*

POLITICAL SCIENCE QUARTERLY

BRITISH COLONIAL POLICY, 1754–1765

THE comparatively short period of time embraced within the dates of 1754 and 1765 was filled with events of momentous importance in the history of the British Empire. These few years witnessed both a vast extension of the Empire, and also the organized beginnings of a movement tending towards its disruption. In so far as any war can decide so fundamental an event apart from the underlying conditions predetermining its issue, the success of British arms in America decided that the civilization of North America was to be Anglo-Saxon, not Latin in character. In India a signal, though not a final check was given to French ambitions, and a firm foundation was laid for future British political supremacy. In West Africa also a policy of territorial acquisition was definitely adopted. It is not the purpose of this essay to describe these well-known events. The prospects of future imperial expansion, disclosed by the victories in India and in Africa, will be disregarded, and attention will be paid solely to the Empire in America.

On the other hand, it is not the intention to analyze the deeply seated causes that led to the secession of the North American colonies from the Empire. *Felix qui potuit rerum cognoscere causas.* To acquire such a state of happiness would necessitate an exhaustive examination of the Empire's development from its very origins. The tendency towards independence was present at the outset. It was in part due to the extreme individualism of the settlers, a characteristic which, while pos-

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sessing distinct advantages, is not conducive to the creation of large political entities. In part also this tendency was due to the fact that the movement of colonization was largely the result of private enterprise. The mother country sanctioned the movement, supervised and aided it, and thus incurred definite responsibilities. But the colonies were not incorporated as organic parts of the English body politic. They were expected to provide the funds for their own local public affairs, and, to a great extent with this object in view, large powers of self-government were granted to them. Under these conditions, each colony, whether in the Antilles or on the continent, had developed a vigorous political life of its own, in which the popular branch of the local legislature, through its control of the purse, had become the most important factor. Each colony had its own historical traditions and institutions, its own peculiar customs and usages, to which the home government adapted itself, thus giving to the British imperial administrative system a typically flexible character, though an unsymmetrical aspect. To a great extent, pride of race had disappeared in the colonies, and patriotism was bounded by the physical limits of each province. The colonist, in general, regarded himself not as an Englishman nor even as an American, but as a Barbadian, a Virginian, and so on throughout the entire list of British colonies. Thus the Empire was a loosely organized political structure, composed of a number of heterogeneous colonies with different economic institutions and with varying degrees of local self-government, all tending, however, toward virtual autonomy.

In an empire of this nature, one of the most difficult problems is to create an effective system of defence which shall neither bear inequitably on the taxpayer in the mother country nor offend the political principles of the colonists. It is a problem for which as yet no solution has been found, and which at the present day is one of the most serious of British imperial questions. Modern English statesmen have not solved the difficulty; they have merely cut the knot. Great Britain is to-day chafing at a decision which forces her to provide for virtually the entire naval defence of the Empire. Imperial defence was the rock upon which the old Empire shattered itself, and toward

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which similar disruptive currents in the modern Empire again tend to draw the ship of state. The unfortunate experience in the past has, however, clearly located the point of danger, though other uncharted reefs may still be encountered. In the years 1754 to 1765 this question of defence became of supreme importance because of the struggle with France. Simultaneously, the looseness of the Empire's organization was emphasized by the trade of the colonies with the enemy, which led to reforms tending to increase the efficiency of the imperial administrative system. These were the chief colonial questions of the time, and it is to them that British statesmen devoted their especial attention.

It is the purpose of this essay to describe the main features of English policy during this decade. At the outset, an attempt was made to solve the problem of defence by a voluntary union of the continental colonies for this purpose. This failed, and shortly thereafter war with France was formally declared. The chief question during the war was to secure the necessary support from the colonies in America, and also to force them to subordinate their local interests to those of the Empire as a whole by stopping their trade with the enemy. The universal success of British arms in all corners of the world, under the inspiring genius of Pitt, to a certain extent allowed Great Britain a choice as to the direction of the Empire's future expansion in America. The discussions on this subject, and the final decision reached to retain Canada and not the tropical French islands in the West Indies, revealed the fact that a distinct change had taken place in the economic theory of colonization. This change resulted in some modifications of the laws of trade, while at the same time the return of the rich West Indian islands to France led to a counter movement intended to increase the importance of the British colonies in the same region. The old colonial system also required some readjustment in view of the territory acquired by the treaty of peace of 1763. At the same time, the successes of the war led to increased interest in England in colonial affairs generally, and to a desire to reform patent abuses in them: hence an attempt, based on the experience gained in breaking up the colonial trade with the enemy,

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to stop all illegal trade; hence also in part the determination to reform the colonial system of defence and to impose parliamentary taxes for this purpose.

I. *Theory and Practice of Imperial Defence, prior to 1754*

The general formula which summed up the reciprocal duties of mother country and colony was that the former owed protection, the latter obedience.[1] Neither protection nor obedience were clearly defined terms, yet theory and custom had bestowed upon each a fairly distinct meaning. By obedience, in general, was meant submission to acts of Parliament affecting the Empire as a whole. As the aim of British statesmen had been directed more toward creating a commercial than a closely welded political Empire, obedience had come to mean, more specifically, conformity with the complex system of laws regulating the trade of the Empire. The duty of Great Britain as regards protection was also somewhat vague, yet there had developed a well defined theory of Imperial defence, and with it a general agreement as to the equitable apportionment of the burden thereof among the component parts of the Empire.

English statesmen fully understood the doctrine of "sea power," and recognized that the safety of the Empire depended primarily upon British naval strength. Thus in 1764 the Earl of Halifax, when secretary of state, wrote; "It is upon the Superiority of the Fleets of Great Britain, that the Defence & Security of Her Colonies ever have, & ever must principally depend."[2] In times of war, the fleet was used for the general purposes of naval strategy, for the protection of the coasts of

[1] Thus in 1766 Grenville said: "Protection and obedience are reciprocal. Great Britain protects America; America is bound to yield obedience." Parl. Hist. 16, p. 102.

[2] Col. Corr. Bahama I, Halifax to Shirley, Oct. 30, 1764. The reference is to a series of colonial state papers in the English Record Office called Colonial Correspondence. Future references to this series will be made in the above abbreviated form.—In their report to the House of Commons, February 5, 1702, the Board of Trade said: "The Safety of his Majtie Dominions in America Depending chiefly on the Naval force to be sent thither at proper Seasons." B. T. Trade Papers 15, p. 302. This reference is to the Board of Trade Papers in the English Public Record Office. All future references to this series will be made in the above abbreviated form.

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the colonies, and for the security of the trade between them and the mother country. In time of peace the navy was used to protect English and colonial commerce. The ocean in those days was not the peaceful highway of the twentieth century. British vessels trading to the West Indies were not infrequently in time of peace seized by the Spaniards and even by the French. The security of this trade depended on the strength of the royal navy. Then piracy was the great scourge of the eighteenth century, and it was only the naval power of Great Britain that forced upon the Barbary corsairs a series of treaties removing British and colonial ships from the range of their depredations. The important trade carried on from the American continental colonies to Madeira and to southern Europe in fish, lumber and grain depended on this immunity.[1] The entire burden of naval defence fell upon the British taxpayer. In the general formula expressing the reciprocal duties of colony and mother country, protection meant primarily naval defence.

There was, however, also a military side to the scheme of imperial defence, and on this side the apportionment of the respective shares of the burden to be borne by mother country and colony was not so simple a matter. During war between Great Britain and a European power, the military forces of the colonies were often used in conjunction with those of Great Britain for operations outside the limits of the colonies. In 1710 and 1711, during the war of the Spanish Succession, the colonies coöperated with the British forces in the operations against Nova Scotia and Canada. In the following war, a considerable body of troops was raised in North America for the

[1] Colonial vessels engaged in this trade were furnished with passes by the Admiralty. These passes entitled the ship to a free passage unmolested by the Barbary pirates. Full details concerning the working of this system in the colonies can be found in the Admiralty Records in the English Public Record Office. See especially Admiralty, Secretary, Out-Letters 1319 to 1322, and Admiralty, Secretary, In-Letters 3817 to 3819. A letter of the lieutenant-governor of Virginia to the Admiralty may be quoted to indicate the importance of this system. There had been some delay in sending the requested passes to Virginia, and on June 22, 1764, Francis Fauquier wrote: "The Merchants in this Colony who are concerned in the Corn and Madeira Trade are in great Distress, and are daily applying to me for them." Adm. Sec. In-Letters 3819. Future references to these documents will be made in the above abbreviated form.

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unfortunate attack on the Spanish colonies in 1740–41;[1] and it was intended also to use colonial troops in the abortive Canada expedition toward the end of the war. In addition, the colonies embarked on their own account on military enterprises against the French. Such were the expeditions of New England against Nova Scotia and Canada at the end of the seventeenth and at the beginning of the following century. In this category also belongs the successful attack of the New England military forces, assisted by the royal navy, on the French fortress of Louisburg in 1745. The extent of this coöperation depended on the willingness of the colonies to assist and on the ability of the English government to recruit soldiers within them, for it was recognized that the Crown had no right to command the inhabitants of any British colony to march or sail on any expedition beyond their own limits.[2] Naturally, each colony was expected to do its utmost in resisting the attacks of a European power in time of war. But the earnest efforts of the English government to bring about systematic coöperation among the colonies for their joint defence, especially for the protection of the most exposed colony on whose security their common safety depended, had ended in complete failure.[3]

Thus there was no distinct theory nor any well defined practice regarding the military activities and duties of the colonies in time of war with a European power. On the other hand, it was a fundamental principle of English colonial administration that during peace in Europe the defence of each colony against any local enemy should devolve primarily on the colony itself, and that assistance should be given by the mother country only

[1] 3600 men. Am. and W. I. 669. The reference is to the State Papers, Colonial, America and West Indies, in the English Public Record Office. All future references to this series will be made in the above abbreviated form.

[2] Am. and W. I. 602: Some Considerations upon the Assistance that may be expected from the Continent of North America in an Expedition against the Spanish West Indies.

[3] Thus in 1694 the English government fixed the quotas to be furnished by the colonies for the defence of New York, but the colonies refused to obey these instructions. Calendar Colonial, 1693–1696, nos. 1253, 1790, 1791, 1816, 1870, 1881, 2054, *et passim*. See especially the report of the Board of Trade to the House of Lords, February 16, 1702. B. T. Commercial Series II, 641, pp. 362–382.

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if the situation were so serious as to endanger the Empire as a whole. Thus, while the brunt of the Indian wars had fallen on the colonies, Great Britain, in response to their insistent requests, frequently sent arms and ammunition to them. This was done despite the protests of the Ordnance Office, which objected to these extraordinary outlays for which Parliament had made no provision. Great Britain also spent annually large sums on presents for the Indians with the object of securing their friendship. In addition, the mother country supported garrisons in a number of the colonies. The largest forces were kept in the West Indian colonies which, on account of their position in the midst of Europe's "cock-pit," were exposed to sudden attacks.[1] Owing to the large numerical preponderance of the slave population in these colonies, their military strength was small; Jamaica unaided was not even able to cope with the negro insurrections. Similarly, small garrisons were kept in the Bahamas and the Bermudas, as their strategic value was important owing to their location on much frequented trade-routes. Then, mainly to protect the fisheries, both of old and new England, garrisons were placed in Newfoundland and in Nova Scotia. Finally, owing to the refusal of the continental colonies to coöperate for defence against the Indians, the mother country was forced also to keep small garrisons in the two most exposed colonies, New York and South Carolina.[2] It was recognized that this was a departure from the accepted theory of defence; for prior to the great wars in the middle of the century the Indian danger was considered primarily a matter of colonial interest, and one well within the limits of the military strength of the

[1] Part of the expense of these garrisons was indirectly defrayed by the West Indian colonies. Thus Jamaica provided the quarters for the soldiers located there. *Cf.* B. T. Jamaica 58, p. 336; 59, pp. 60, 82 and 11 K 44. This was also true in the Windward and Leeward Islands, owing to the fact that the four and one-half per cent export duty produced a considerable revenue, which the British government had promised to devote to the defence of the islands.

[2] New York supplied the provisions for these regular troops. B. T. New York 29 Hh 126. South Carolina, after the removal of the independent companies to Georgia, offered to give additional pay to these regular soldiers if they were again placed in the colony. This was done in 1746–1748. Wm. Roy Smith, South Carolina, pp. 193–195.

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continental colonies. In these cases the mother country assumed a burden which the colonies as a whole were unwilling to bear and which was deemed too heavy for either of the two colonies most directly concerned. After the establishment of Georgia, the South Carolina garrison was temporarily removed to the more exposed colony, and was subsequently considerably increased.[1] The charge on the British exchequer on account of these permanent forces in the colonies was not large. In 1737 it was only £53,000, and in 1743 it was about £75,000. But of these respective amounts, only a small part was spent in the continental colonies that ultimately seceded from the Empire. In 1737 only £10,000 was thus spent; in 1743 £25,000, the increase being due to the larger force established in Georgia.[2] In addition to this purely military expense, Parlia-

[1] Col. Records of Georgia I, p. 520.

[2] Annual appropriations were made by Parliament for the forces in the colonies and in Minorca and Gibraltar. In 1732 the grant was £160,214 (5 Geo. II, c. 17); in 1733, £164,835 (6 Geo. II, c. 25, § xii); in 1734, £203,996 (7 Geo. II, c. 12); in 1736, £216,228 (9 Geo. II, c. 34); in 1737, £215,710 (10 Geo. II, c. 17); in 1739, £228,062 (12 Geo. II, c. 19). Of these grants the larger portion was for the garrisons in Minorca and Gibraltar. Thus the grant of 1737 was distributed as follows:

Leeward Islands	One regiment	£9,776
Jamaica	Eight companies	15,367
Bahamas	One company	2,466
Bermudas	One company	1,004
New York	Four companies	7,142
Georgia	One company	3,071
Nova Scotia and Newfoundland	One regiment	9,830
Nova Scotia and Newfoundland	Garrisons and provisions	4,098
Total for the above colonies		£52,754
Minorca and Gibraltar		162,956
Total grant of 1737		£215,710

These figures are derived from the War Office estimate for 1737 to the House of Commons. Commons Journal 22, p. 740. *Cf.* also Dinwiddie's Memorial, 1738, in B. T. Bermuda 14, M 17. At this time the force in Georgia was considerably increased, and at the same time, owing to the war, the parliamentary appropriations for the garrisons in the colonies and in Gibraltar and in Minorca grew larger. In 1740 they were £266,203 (13 Geo. II, c. 23); in 1741 they were £266,512 (14 Geo. II, c. 41). In 1743 the annual expense of the forces in America was £73,833, of which £7,141 was spent on the forces in New York, and £17,881 on those in Georgia. Am. and W. I. 670: A State of the annual Expense of the Forces in America, 1743.

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ment appropriated also large sums for the settlement of Georgia, which was to a great extent a military enterprise designed for the protection of the Southern colonies. Prior to the outbreak of the war in 1739, the annual grants for this purpose averaged about £20,000.[1] After the restoration of peace in 1748, there was only a slight increase in the cost of the colonial garrisons, about £80,000 being expended yearly for this purpose.[2] The regiment in Georgia was disbanded at that time, the small force in South Carolina being deemed sufficient for the protection of the Southern colonies.[3] The annual outlay for these "independent companies" in New York and South Carolina was in 1752, 1753 and 1754 only £13,000.[4] On the other hand, large sums were spent on settling and fortifying Nova Scotia, the total parliamentary grants for this military colony aggregating £543,625 in the eight years from 1750 to 1757 inclusive.[5] Reviewing these facts, it becomes apparent that Great Britain was willing to spend large sums upon the defence of the outlying frontiers of the Empire, and that she was likewise willing when necessary to establish garrisons in the most exposed colonies. In general, however, the colonies were expected to assume the burden of local defence in time of peace. Until the outbreak of hostilities with France in the sixth decade of the

[1] 8 Geo. II, c. 23; 9 Geo. II, c. 34, § xxiii; 10 Geo. II, c. 17; 12 Geo. II, c. 19.

[2] The grants for the forces in the plantations and for those in Minorca and in Gibraltar were, in 1751, 1753 and 1754, £236,420 (24 Geo. II, c. 47; 26 Geo. II, c. 25; 27 Geo. II, c. 10). In 1752 they were £229,943 (25 Geo. II, c. 25), of which £151,104 was for Minorca and Gibraltar, and £78,839 for the colonies (Commons Journal 26, p. 308). In the other years these respective amounts were £155,360 and £81,060 (*ibid.*, 26, pp. 528, 850). These amounts would be increased somewhat if the expenditure of the Ordnance Office were taken into account.

[3] Colonial Records of Georgia, pp. 520, 522, 523, 527. Detachments of the three independent companies in South Carolina were placed in Georgia. *Ibid.*, p. 525.

[4] Commons Journal 26, pp. 308, 528, 850. At this time £36,000 was spent yearly for the forces in Nova Scotia.

[5] 23 Geo. II, c. 21; 24 Geo. II, c. 47; 25 Geo. II, c. 25; 26 Geo. II, c. 23; 27 Geo. II, c. 10; 28 Geo. II, c. 22; 29 Geo. II, c. 29; 30 Geo. II, c. 26. The parliamentary grants for this purpose decreased from this date on, being £16,528 in 1758 (31 Geo. II, c. 33), £10,595 in 1761 (1 Geo. III, c. 19) and £5,684 in 1762 (2 Geo. III, c. 34). Oglethorpe criticized this heavy expenditure very severely. See James Oglethorpe to Field Marshal Keith, May 3, 1756. Hist. MSS. Com. IX, 2, p. 229b.

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century, the cost of the permanent garrisons in all the colonies was unimportant, and in the case of those that ultimately formed the United States it was trifling.

It was universely recognized at the time that the treaty of Aix-la-Chapelle was merely a truce, and that the conflict would soon be resumed. The phrase then current in Paris, "*bête comme la paix*," expressed the dissatisfaction of the governing classes with a treaty gratifying no one of their ambitions. The fundamental questions at issue between France and England in America had not been settled. The boundary line of Nova Scotia was still in dispute; and, in order to strengthen their position, the French erected forts in the disputed area and stirred up the Nova-Scotian Indians to attack the English. Similarly in the Southwest of North America, a definite boundary line had not been agreed upon. Moreover France was building a series of forts in the "hinterland" of the North American colonies, connecting Louisiana and Canada and thus confining the English to a narrow fringe of land along the coast.[1] Finally, in the West Indies, France on various pretexts delayed the evacuation and retained the possession of the four "neutral islands," St. Lucia, Dominica, St. Vincent and Tobago, in direct violation of the agreement made shortly after the peace of 1748.[2] The prospect of an early renewal of hostilities directed the attention of the English government to the system of imperial defence, especially in North America, where France was forcing the issue.

II. *Plans for a Union of the Continental Colonies in 1754*

The English government was loath to renew the struggle. Great Britain was in one of her frequent pessimistic moods, belittling her own strength and magnifying that of the enemy. It was feared that France would acquire not only political but also complete commercial supremacy, and that Great Britain would be absolutely at the mercy of her rival. The aggressions

[1] *Cf.* Am. and W. I. 604.

[2] Am. and W. I. 604. See especially the despatches of Henry Grenville, governor of Barbados, to Bedford and Holdernesse in 1750 and 1751. Am. and W. I. 40, nos. 63, 106, 109, 125, 133, 141, 147.

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of the French in the Ohio valley, however, forced the government to take some action. On August 28, 1753, Holdernesse, the secretary of state in charge of colonial affairs, addressed a circular despatch to the governors authorizing them to repel, by force if necessary, any invasion of his Majesty's unquestioned dominions, but cautioning them not to be the aggressors.[1] At the same time, in view of the great emergency, the home government sent £10,000 to Dinwiddie, the lieutenant-governor of Virginia, that colony being the one most affected by the French advance, and allowed him to draw £10,000 in addition for the defence of North America.[2] This departure from the regular practice was fully justified by the abnormal condition existing, for not only was an Indian war, aided and abetted by the French, in sight, but in addition a war with France was imminent.[3] Then on September 18, 1753, the Board of Trade instructed the governors of New York, Virginia, Maryland, Pennsylvania, New Jersey, New Hampshire and Massachusetts to hold a joint meeting with the Iroquois Indians in order to secure their wavering friendship. According to these instructions, all the colonies were, if practicable, to be "comprized in one general Treaty to be made in his Majesty's name."[4] The idea of coöperation contained in these instructions was a most fertile one, and it rapidly gained ground with the ablest men in the colonies. Outnumbering the French in population approximately fifteen to one, the English colonies would, if united, have been fully able to cope with the French. But unfortunately for them, as Governor Glen said, they were but "a Rope of Sand—loose and inconnected."[5] France was encouraged in her aggressions by this lack of union among the English colonies.[6] Thus Robert

[1] Am. and W. I. 74. [2] Am. and W. I. 604: Braddock's Instructions.

[3] It was, however, intended that until the outbreak of formal war with France the colonies should, in the main, defend themselves in America.

[4] New York Colonial Documents, VI, pp. 799, 800.

[5] Am. and W. I. 67: James Glen to Dinwiddie, March 14, 1754.

[6] On May 8, 1754, Franklin wrote to Partridge: "The confidence of the French in this Undertaking seems well-grounded on the present disunited State of the British Colonies, & the extreme Difficulty of bringing so many different Governments and Assemblies to agree in any speedy & effectual Measures for our common Defence and Security, while our Enemies have the very great Advantage of being under one Direction, with one Council & one Purse." Am. and W. I. 67.

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Dinwiddie wrote to the secretary of state: "The French, too justly observe the want of Connection in the Colonies & from them conclude (as they declare without Reserve) that although we are vastly superior to them in Numbers, yet they can take & secure the Country before we can agree to hinder them."[1] The problem was to overcome the jealousies of the various colonies and to get them to unite for purposes of defence. During the early months of 1754, such plans were being formulated in America by Shirley,[2] Franklin and others.

The Albany Congress of 1754 assembled as a result of the Board of Trade's instructions[3] of September 18, 1753, which contemplated only a joint treaty with the Indians. The course of events had, however, demonstrated that some more or less comprehensive scheme of defence was necessary, and hence the subject for deliberation was enlarged.[4] Of the colonies instructed to send representatives, two—Virginia and New Jersey —failed to comply, though Virginia was represented by DeLancey, the lieutenant-governor of New York. On the other hand, the two charter colonies—Rhode Island and Connecticut —though not named in the instructions, sent representatives.[5] At the meeting of these commissioners, held on June 24, 1754, a motion to the effect that a union of all the colonies was absolutely necessary for their security and defence was unanimously adopted, and a committee was appointed to prepare such a

[1] Am. and W. I. 67: Dinwiddie to Sir Thomas Robinson, June 18, 1754.

[2] New York Col. Doc. VI, p. 822: Shirley to Holdernesse, January 7, 1754.

[3] New York Col. Doc. VI, pp. 853-856; Hutchinson, Mass. III, p. 20.

[4] Hutchinson, who was present, says: "The king in his instructions for this convention, proposed that a quota should be settled, and that, by acts of the respective assemblies, this should be established as the rule for raising men and monies." Hutchinson, Mass. III, p. 21. *Cf.* De Lancey to Board of Trade, April 22, 1754, N. Y. Col. Doc. VI, p. 833, from which it may be inferred that no such instructions were sent. I have not been able to find the instructions to which Hutchinson refers and there is no mention of them in the proceedings of the congress. Frothingham, Rise of the Republic of the United States (p. 132), also says that the colonies were to "enter into articles of union and confederation with each other for the mutual defence of his majesty's subjects and interests in North America, as well in time of peace as war."

[5] New York Col. Doc. VI, p. 853; Hutchinson, Mass. III, p. 20.

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plan.[1] The reasons that led the congress to reach this decision are embodied in a document evidently drawn up by Franklin. It describes in a comprehensive manner the disheartening particularism of the colonies.

The commissioners from a number of the northern colonies, being met at Albany, and considering the difficulties that have always attended the most necessary general measures for the common defence, or for the annoyance of the enemy, when they were to be carried through the several particular Assemblies of all the colonies; some Assemblies being before at variance with their governors or councils, and the several branches of the government not on terms of doing business with each other; others taking the opportunity, when their concurrence is wanted, to push for favorite laws, powers or points, that they think would not at other times be obtained, and so creating disputes and quarrels; one Assembly waiting to see what another will do, being afraid of doing more than its share, or desirous of doing less, or refusing to do anything because its country is not at present so much exposed as others, or because another will reap more immediate advantage; from one or other of which causes, the Assemblies of six out of seven colonies applied to, had granted no assistance to Virginia, when lately invaded by the French, though purposely convened, and the importance of the occasion earnestly urged upon them;—considering moreover, that one principal encouragement to the French, in invading and insulting the British American dominions, was their knowledge of our disunited state, and of our weakness arising from such want of union; . . .

for these reasons the commissioners unanimously decided that "a union of the colonies is absolutely necessary for their preservation."[2] These difficulties had existed throughout the entire history of the colonies,[3] but at no previous time was the situation so dangerous.[4]

[1] New York Col. Doc. VI, p. 859.

[2] Franklin, Writings (ed. Smyth) III, pp. 203, 204. In 1754 the New Jersey assembly refused any support for its own defence or for that of the neighboring colonies. B. T. Journals 62, July 2, 1754.

[3] The most exposed colonies naturally resented the apathy of the other colonies. Thus, in 1710, Governor Dudley wrote that New England was dissatisfied at having to bear the brunt of the war, while the Southern colonies, though protected by those in the North, did nothing. Am. and W. I. vol. i, no. 20 B. *Cf.* also Am. and W. I. 5, no. 139.

[4] N. Y. Col. Doc. VI, p. 889.

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The committee appointed by the colonial commissioners accordingly drafted a plan of union, and this plan, chiefly the work of Franklin, was subsequently unanimously adopted. It provided for an executive and a legislature; the former—the president-general—to be appointed and supported by the Crown, the latter—the Grand Council—to be elected by the various assemblies in the eleven[1] colonies. This legislature was to consist of forty-eight members, the colonies being represented roughly according to population and wealth. To this Grand Council was given jurisdiction over Indian affairs, both political and commercial. It was to raise and pay soldiers, to build forts for the defence of the colonies, and to "Equip Vessels of Force to Guard the Coasts and protect the Trade on the Ocean, Lakes or Great Rivers." In order to raise the requisite funds for these purposes, the Grand Council was given power to make laws and to impose general duties and taxes. All acts of the Grand Council, however, required the consent of the president-general and, in addition, all laws were to be submitted to the king in council for approbation.[2] This plan, it is apparent, implies an assumption by the colonies of a far greater share of the cost of defence than had hitherto been customary.

This proposal for a political union of the colonies under one general government in America was ultimately to be brought into effect by an act of the Parliament of Great Britain. The colonial commissioners did not, however, have full powers, and accordingly the plan was first submitted to the colonies. With the same unanimity with which their representatives had adopted the plan, the colonial assemblies rejected it.[3] The reasons for this rejection were, on the one hand, the particularism of the colonies, and on the other, their underlying conviction that Great Britain, if left no other choice, would itself ultimately assume the task of defending them. According to Shirley, the commissioners at Albany "had no expectation" that the col-

[1] Nova Scotia was not included in the union.

[2] Am. and W. I. 604.

[3] Hutchinson, Mass. III, p. 23; Franklin, Writings (ed. Smyth) III, pp. 226, 227n.

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onies would adopt the plan; and he added, "nor could any proper plan be form'd, as I apprehend, in w^ch the several Gov^ts would unite."[1] Franklin was not more sanguine. On December 29, 1754, he wrote to Collinson:

All the Assemblies in the Colonies have, I suppose, had the Union Plan laid before them, but it is not likely, in my Opinion, that any of them will act upon it so as to agree to it, or to propose any Amendments to it. Every Body cries, a Union is absolutely necessary, but when they come to the Manner and Form of the Union, their weak Noddles are perfectly distracted.[2]

The action of the colonies in rejecting the Albany plan was decisive, for it was the understanding of the English government that the plan should be submitted to Parliament only after its consideration and adoption by the colonial legislatures.[3] However, in the due course of administrative routine a full account of the proceedings of the Albany Congress was forwarded to England, and on October 29, 1754, the Board of Trade sent to Sir Thomas Robinson, the secretary of state, a detailed report thereon.[4]

The Albany Congress had not succeeded in conciliating the Indians, nor had it provided for the joint management of Indian affairs nor for the strengthening of the frontiers, which were the chief objects desired by the English government when the meeting had been originally ordered. The Board of Trade severely criticized the failure to regulate these matters, pointing out that the situation was a critical one owing to the present mismanagement of Indian affairs, and that the commissioners at Albany had themselves unanimously agreed that Indian affairs "should be under one General Administration directed to the general Interest and supported at the general Expence" of all the colonies. As to the Albany articles of federation, the Board of Trade refrained from expressing any opinion, evidently awaiting the further action of the colonies.

[1] New York Col. Doc. VI, pp. 930, 931.

[2] Franklin, Writings (ed. Smyth) III, p. 242.

[3] Report of Board of Trade to King, October 29, 1754. Am. and W. I. 604.

[4] *Ibid.*

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While the failure of this plan rests primarily on the colonies, it is exceedingly doubtful if the English government would have ratified it, even if the colonies by their previous confirmation had allowed it to come to the consideration of Parliament. The home authorities desired a union of the colonies for military purposes, not a political federation; their aim was military efficiency, which unquestionably would have been impaired by the liberal powers bestowed on the Grand Council. This will become apparent from a consideration of the scheme of union as elaborated by the Board of Trade.

In the early months of 1754, it came to be recognized in England, as in America, that a union of the colonies was necessary. On January 7, 1754, Shirley wrote to the secretary of state that the old requisition system of relying on each colony to furnish men for the defence of all was impracticable unless the Crown could find some method of obliging the colonies to contribute their quotas.[1] On June 14, 1754, some days before the meeting of the colonial commissioners at Albany, the secretary of state, Sir Thomas Robinson, directed the Board of Trade to prepare and lay before the king "a plan of general concert to be entered into by the American colonies for their mutual defence, and to prevent and remove any encroachments on the British dominions."[2] Accordingly, on August 9, 1754, the Board of Trade sent its plan of union to Sir Thomas Robinson.[3] Herein it was suggested that circular letters be sent to the governors in the continental colonies, pointing out the danger to which they were exposed from the encroachments of France, and stating "the urgent necessity there is of an immediate union of the several Colonies" in order to maintain forts, to raise soldiers, to defray the expense of presents for the Indians and to place "Indian affairs under one general direction." The colonial assemblies were each to appoint a commissioner, subject to the approval of the governor, and these commissioners were to meet and agree upon the necessary military establish-

[1] Shirley to Holdernesse, January 7, 1754. Am. and W. I. 67.

[2] B. T. Plantations General 15, O 125. The letter was read at the meeting of the Board of Trade on June 18, 1754. B. T. Journals 62.

[3] Am. and W. I. 604; B. T. Plant. Gen. 43, pp. 368–397.

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ment of the colonies in time of peace, and to apportion the expense thereof among the various colonies according to their population, trade, wealth and revenue. Provision was also made for reconvening this inter-colonial assembly whenever a sudden emergency, such as actual invasion, should require greater military exertions. The Crown was to appoint a commander-in-chief[1] of all the colonial forces, and of all troops sent to the colonies from Great Britain "upon any emergency." This officer was also to act as commissary general for Indian affairs. He was to be empowered to draw upon the proper officer in each colony for such an amount of money as had been previously determined upon as the colony's share of the whole. The convention drawn up on these lines by the colonial commissioners was to be sent to England for approbation, and in order to enable a convention to be agreed upon, it was provided that any seven colonies were to constitute a quorum, and that the decision of a majority was to be binding on all the colonies. The object of this plan was to increase their military strength and to make them provide for the additional forts on the frontier and presents to the Indians, which the threatening condition of affairs rendered necessary. It was not intended that the Crown should lessen its former expenditures for these purposes, nor that it should refuse to aid the colonies in extraordinary emergencies, such as the actual outbreak of war with France. It was distinctly stated that

His Majesty does not intend to withdraw that part of the expence which the Crown has been usually at, for the Security and Protection of the Colonies, but that he will be graciously pleased to continue to maintain & subsist such a number of his Troops as shall appear to be necessary to be stationed in America, & does also consent that whatever sums of money have been usually given by His Majesty for Indian services, shall be deducted from the general Estimate as the share His Majesty is willing to bear of the ordinary Establishment for this service, & that upon any great Emergency they shall receive such support from His Majesty, as shall be thought reasonable upon a due Consideration of

[1] Provision was to "be made in the Estimate for the ordinary established service for a proper Salary for such Commander in chief."

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the Nature of the Case, & of what the circumstances & conditions of the Colonies shall seem to require.[1]

This plan of the Board of Trade differed radically from that devised at Albany; it contemplated only a military union, while Franklin and his associates planned a political union as well. Both the Board of Trade and the Albany Congress, however, started from the premise that the colonies should in equity provide for their own regularly established military system.

The failure of the colonies to adopt a plan of union in 1754 forced the English to take some action for their defence. In transmitting its plan in 1754, the Board of Trade remarked "that from the delay which must necessarily attend the execution of any new Plan for an Union of the Colonies, it cannot be made to answer the purpose of a present exigency," and that whatever danger exists at present must be guarded against "by an Application of such means of strength & force, as can be procured in the most expeditious & most effectual manner." The Board therefore suggested the appointment of a commander-in-chief over all colonial and British forces in America, and likewise the appointment of a commissary general for Indian affairs.[2] In its report on the Albany plan, the Board of Trade also proposed that "untill a Plan of Union can be settled, by which a proper provision may be made for those Services at the general Expence of the Colonies," William Johnson should be appointed colonel of the Six Nations, and be given the management of Indian affairs in the same manner and with the same allowance as when the expedition against Canada was intended during the last war.[3] Virginia was clamoring for assistance, and the other colonies showed little or no disposition to assist her. Consequently, the English government adopted the suggestion of the Board of Trade and sent Edward Braddock as commander-in-chief to America and with him two regiments. Parliament provided funds for this force and, in addition, for two regiments to be raised in America for service in 1755.[4] The English government, however, was loath to defray the entire cost of the

[1] B. T. Plant. Gen. 43, p. 380.
[2] B. T. Plant. Gen. 43, pp. 368–397.
[3] Am. and W. I. 604.
[4] 28 Geo. II, c. 22.

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regiments sent out under Braddock,[1] and accordingly the colonies were instructed to provide victuals and quarters for them.[2] In conformity with the suggestion of the Board of Trade, Braddock placed William Johnson in charge of Indian affairs.

Meanwhile the plans for union were not abandoned either in England or in America. In fact, the inadequate support given by some of the colonies to Braddock emphasized the necessity of such a union, unless the mother country were willing to assume a disproportionate share of the burden of imperial defence. The unanimity of the colonies in rejecting the Albany plan showed conclusively that of their own accord they would never form a union. It meant that the Board of Trade's plan, which was to be brought into effect by a colonial convention, had absolutely no chance of success. Hence it was inevitably suggested that recourse be taken to the sovereign legislature of the Empire, and that Parliament create such a union. In submitting its plan in 1754, the Board of Trade had pointed out that, in case one or more of the colonies refused to concur in the union, either by failing to send representatives, or, after its enactment, by refusing to raise the required money, then 'no other method can be taken, but that of an application for an interposition of the Authority of Parliament.'[3] In America the two great champions of such a parliamentary union were Benjamin Franklin and William Shirley.[4] "Till it is done," the former wrote, "never expect to see an American war carried on as it ought to be, nor Indian affairs properly managed."[5] The imposition of such a union by act of Parliament was legally within its powers,[6] but as such a step was in direct opposition

[1] These two regiments were on the Irish establishment.

[2] See Braddock's instructions. From long experience, the English government was fully acquainted with the parsimony of the colonies; and accordingly, in order not to hamper military operations, Braddock was advised, in his private and secret instructions, that if necessary this point should be waived. Am. and W. I. 604.

[3] Am. and W. I. 604; B. T. Plant. Gen. 43, pp. 368–397.

[4] Their ideas as to the nature of the desired union differed radically. See Shirley to Robinson, December 24, 1754. N. Y. Col. Doc. VI, pp. 930, 931.

[5] Franklin to Collinson, June 26, 1755. Franklin, Writings (ed. Smyth) III, 267. *Cf.* also *ibid.* III, p. 276.

[6] A statute of this nature would, however, have been in direct violation of the colonial charters and of the proprietary grants.

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to the expressed wish of all the colonies, it would have defeated its own purpose,[1] which was to secure the hearty coöperation of the colonies in the impending conflict with France. The suggestion of a parliamentary union of the colonies, especially one of a purely military nature, contained within it the idea of parliamentary taxation of the colonies.[2] To many in 1754 and 1755 this seemed the only way to make the colonies provide for their own defence in an adequate manner.

III. *Proposed Taxation of the Colonies, 1754–1756*

The failures of the schemes for union in 1754, and the disinclination of the colonies not only to assist one another, but even to provide each for its own defence in an adequate manner, brought up the question of parliamentary taxation. Legally, Parliament could impose such a tax, though hitherto it had, in general, refrained from so doing. It had, however, passed several statutes regulating colonial matters, which were in the form of revenue bills.

In 1673,[3] Parliament had imposed small duties on a number of colonial products, chiefly tobacco, sugar, cotton and ginger, when exported from one English colony to another. The chief purpose of this act was to prevent the evasion of the "enumeration" provision of a previous act prohibiting the direct exportation of these products to foreign countries, but it was intended also to raise some revenue.[4] A small revenue was, in fact, de-

[1] However, on August 30, 1754, Franklin wrote to Colden: "Our Assembly were not inclined to show any approbation of the plan of union; yet I suppose they will take no steps to oppose its being established by the government at home." Franklin, Writings (ed. Smyth) III, p. 228.

[2] See especially Shirley to the Board of Trade, January 5, 1756. B. T. Mass. 74, Hh 68.

[3] 25 Ch. II, c. 7, § 11.

[4] The act of 1673 refers to the navigation act of 1660, which allowed these products to be shipped from one English colony to another free of duty, "while the subjects of this your kingdom of England have paid great customs and impositions for what of them have been spent here." It refers likewise to the fact that taking advantage of this immunity, the colonies have shipped these "enumerated" commodities direct to Europe. It was thus apparently the purpose of the act to put the colonial consumer on the same footing as the English consumer, and to prevent the illegal trader, who shipped these products direct to Europe, from having any advantage over

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rived from this law.[1] As far as the continental colonies were concerned, they were chiefly affected by this act in so far as it imposed duties on tobacco exported from Maryland or from Virginia to another English settlement. But toward the end of the seventeenth century, the revenue derived from this source was granted to William and Mary College in Virginia, and was not thereafter remitted to England. In other words, virtually the entire small revenue accruing to Great Britain from this statute came from the West Indian colonies.

During the course of the war of the Spanish Succession, the question came up whether or no European and other goods seized from the enemy and condemned as lawful prize in the colonies were subject to duties. A statute of 1707 provided that such goods should pay the same duties in the colonies as they would have paid in England if first imported there and then reëxported.[2] In other words, the duties made payable in the colonies were equal to the English duties less the drawback. Though somewhat modified subsequently, owing to the strenuous opposition of Jamaica,[3] this law imposed an import duty payable in the colonies. During the war, this act produced some revenue,[4] mainly in the West Indies, although a little was

the law abiding trader who shipped them *via* England. The revenue feature of the act was, however, the unimportant part. On June 30, 1692, the commissioners of the customs reported that the act was not intended for raising a revenue, but to enforce the "enumeration" policy. Treas. Misc. Various, 37 (Blathwayt's Journal I, pp. 353–355). The reference is to the Treasury Papers in the English Public Record Office. All future references will be given in the above abbreviated form.

[1] Amounts paid into the British Exchequer under 25 Ch. II, c. 7:

1748	£1366	1754	£1164	1760	£1165
1749	2713	1755	1207	1761	381
1750	861	1756	2618	1762	704
1751	1645	1757	1832	1763	1322
1752	1472	1758	978	1764	1027
1753	1012	1759	1849		

Treas. Acc. Rev. Misc. (England), vols. 50 and 59.

[2] 6 Anne, c. 37, § 11. [3] Am. and W. I. 4, nos. 62, 69, 70, 103.

[4] Payments into the exchequer for prize duties in the colonies:

1711	£2066	1713	£151	1715	£1292
1712	1724	1714	2267	1716	600

Treas. Acc. Rev. Misc. (England), 50.

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collected in the continental colonies.[1] In and about 1730, during the troubles with Spain, a very small sum was collected on account of these prize duties, but in the subsequent war, 1739–1748, nothing was paid on this account into the British exchequer.[2]

In 1733, another act in the form of a revenue bill was passed.[3] This was the famous "Molasses Act" which imposed customs duties on foreign rum, sugar and molasses imported into the English colonies. The object of this law was not to raise a revenue, but to hamper the development of the French colonies, and to prevent the importation of their produce into the English possessions. Hence the duties were made so high as to be virtually prohibitive.[4] About £800 yearly was collected under this law.[5]

The establishment by Parliament of a colonial postal system early in the eighteenth century[6] cannot be considered a measure of taxation, although at the outset it was objected to on this ground, and although it was incidentally designed to produce some revenue.[7]

[1] Thus, on Nov. 10, 1710, Robert Hunter, governor of New York, wrote to England suggesting that his salary for the year might be paid out of the "Dutys arising from *Cocoa* imported here by my Incouragement in a Prize taken by two Jamaica Privateers, the Customs whereof will amount to a very considerable Sum." Am. and W. I. 6, no. 44; *cf.* B. T., N. Y. 59, pp. 227, 228.

[2] Treas. Acc. Rev. Misc. (England), 50.

[3] 6 Geo. II, c. 13.

[4] *Cf.* B. T. Journals (Opinions of Council, 1736–1738), p. 140.

[5] The total amount collected from the date of the enactment of the law to Christmas 1749 was:

On these products imported as merchandise	£5603	4*s.*	4¼*d.*
On these products imported as prize goods	7616	4*s.*	2 *d.*
	£13,219	8*s.*	6¼*d.*

Am. and W. I. 687: Hearing of 1750–1751, appendices 4, 5.

[6] 9 Anne, c. 10.

[7] On June 24, 1718, Spotswood wrote to the Board of Trade describing the opposition in Virginia to the establishment of a postal system. He said that "the People were made to believe that the Parliament could not lay any Tax (for so they call the Rates of Postage) on them without the consent of the General Assembly." B. T. Virginia 15, P 169. At the time of the controversies over the Stamp Act, in 1765 and 1766, its supporters endeavored to use the establishment of a postal system in the colonies as a precedent for a parliamentary tax. It was available for this purpose on purely technical grounds only, though it furnished an excellent instance of the ex-

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There was, however, another method by means of which Great Britain derived a revenue from parliamentary statutes affecting the colonies. In accordance with two fundamental principles of the old colonial system, the colonies could import European goods, with some noteworthy exceptions, from Great Britain only, and were prohibited from exporting some specifically enumerated products direct to any European country but Great Britain. Thus, non-British goods consumed in the colonies and colonial products shipped *via* Great Britain to European markets came within the reach of the English fiscal system. This system was, however, so arranged that but small duties were paid on these products,[1] it being generally estimated that the duties thus collected about equalled the cost of managing and controlling the trade.[2] It is evident that this system was one designed more for the regulation of trade than for purposes of revenue; but it is equally evident that the revenue would be the main consideration if an enumerated commodity were allowed to be exported direct from the colony to a foreign market on payment of a sum equivalent to the duties that would have been paid had it first been shipped to Great Britain and reëxported thence. This happened in the case of rice. Shortly after the introduction of rice as a staple in South Carolina, Parliament placed it among the list of enumerated commodities.[3] As the quantity of rice produced rapidly increased, the colony sought a broader market, especially direct access to that of Portugal. In this, the colony was supported by the English merchants trading to Portugal. These in 1715 suggested that it be permitted to ship rice direct from America to Portugal on payment in the colonies of the English duties.[4] In 1721 the agent

ercise of parliamentary authority over the colonies. See Franklin's Examination before the House of Commons. Franklin, Writings (ed. Smyth) IV, pp. 442, 443, 448, and The Regulations Lately Made (London, 1765), p. 105.

[1] In the case of the two most important of the enumerated products, tobacco and sugar, no duty whatsoever was collected on shipments *via* Great Britain to the continent of Europe.

[2] This subject will be more fully discussed in connection with the legislation of 1764.

[3] 2 and 3 Anne, c. 5, § xii.

[4] B. T. Journals 24, p. 465.

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for South Carolina made the same proposal to the English government, suggesting that the equivalent of the English duties[1] be levied in the colony, in that case as an export duty.[2] Similar suggestions were made by the colony in subsequent years;[3] and accordingly, a few years thereafter, Parliament passed a law allowing the direct exportation of Carolina rice to those parts of Europe south of Cape Finisterre, subject to the payment in Great Britain of an amount equivalent to the English duties less the drawback on the rice thus exported.[4] Though this duty was made payable in Great Britain, it was in its essence a colonial export tax imposed by Parliament; and it furnishes a unique and remarkable instance of colonial taxation by the mother country at the suggestion of the colony itself. This tax produced some revenue, about £1200 yearly for the first seven years,[5] increasing gradually until in 1763 it yielded somewhat more than double this amount.[6]

Though these various measures were from a legal standpoint revenue bills, still (with the exception of the rice act, which was an isolated instance) they were, in general, designed to regulate trade, not to yield a revenue. Even the prize-duty act was intended mainly to place merchandise imported from Great Britain on the same footing as prize goods condemned in the colonies.

These acts produced but a trifling revenue. At various times, however, during the eighteenth century, it was suggested that Parliament should create a colonial revenue to pay the salaries of the officials appointed by the Crown and to defray the cost of a permanent military establishment in the colonies. Thus, in the course of a serious controversy with the legisla-

[1] The English duties less the drawbacks amounted approximately to 7*d*. on every cwt. of rice. The duty of 7*d*. was to be paid in the colony.

[2] B. T. South Carolina 1 A 32.

[3] B. T. South Carolina 1 A 48, 2 B 103.

[4] 3 Geo. II, c. 28.

[5] From Christmas, 1730, to Christmas, 1737, the total direct exports of rice to Europe south of Cape Finisterre were 32,523,871 lbs. Treas. Acc. Rev. Misc. (England) 79.

[6] B. T. Plant. Gen. 19 R 47. *Cf.* B. T. So. Ca. 16 K 30, and Commons Journal 29, p. 982. Its yield at this time was about £3000.

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ture, which refused to pass a revenue bill in the desired form, Robert Hunter, the able and public-spirited governor of New York, suggested that his salary should be defrayed from import and export duties in New York and from an excise on alcoholic liquors to be imposed by an act of the British Parliament.[1] This proposition was approved of in England; and in 1711 the Board of Trade was instructed to prepare a bill to be laid before Parliament for creating such a standing revenue in New York.[2] As Parliament "rose" before this bill could be perfected,[3] nothing was done at this time. Later in the year,[4] and again in 1713,[5] the Board of Trade recommended that Parliament pass such a measure; the latter recommendation was likewise approved of by an order in council.[6] Meanwhile the New York Assembly, fearing the remedy proposed in England, passed a fairly satisfactory revenue act;[7] but two years later, in 1715, Hunter complained bitterly to the Board of Trade of the inadequate supplies granted from year to year by the Assembly, and again proposed an act of Parliament as the only possible solution of the difficulty.[8] Shortly after this, the controversy between the governor and the legislature was settled by a compromise measure,[9] and nothing further was done toward creating a revenue by act of Parliament. This episode is not important in itself, except in so far as it clearly shows that Parliament was deemed fully competent to pass such a measure.[10]

[1] Am. and W. I. 6, no. 44; B. T. New York, 59, p. 227.

[2] Am. and W. I. 582; B. T. New York 59, pp. 278–286, 296. The draft of the bill is given *ibid.*, pp. 301–317. *Cf.* also Treas. Misc. Various 38 (Blathwayt's Journal III, pp. 91, 92), and Dartmouth MSS., Hist. MSS. Com. 14, X, p. 3.

[3] B. T. New York 59, pp. 448 *et seq.*

[4] November 13, 1711. B. T. New York 59, pp. 452–456.

[5] B. T. New York 60, p. 91.

[6] B. T. New York 60, p. 113 *et seq.*; Dartmouth MSS., Hist. MSS. Com. 14, X, p. 10.

[7] B. T. New York 60, pp. 128, 129: Hunter to B. T., July 18, 1713.

[8] B. T. New York 60, pp. 296–298: Hunter to B. T., March 28, 1715.

[9] B. T. New York 60, pp. 320 *et seq.*: Hunter to B. T., July 25, 1715.

[10] This incident was used at a later period as a precedent for colonial taxation. Thus at the time of the repeal of the Stamp Act in 1766, in his examination before

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In 1716, Archibald Cumings,[1] one of the custom-house officials at Boston, wrote to the Board of Trade suggesting the imposition of a duty on foreign rum, sugar and molasses imported into the British colonies.[2] In the following year he proposed a more extensive scheme of colonial taxation. He gave the Board of Trade detailed statistics of the importations into the colonies both of West Indian products[3] and of Fayal, Madeira and Canary wines, all of which, he said,

> might bear a Duty as a Revenue for the Crown to defray the Expences that the Plantations are Annually to Great Britain for Governors & Officers Salarys, Support of Garrisons, the Expence of the Station Men of War; and by settling a Stamp office in all the Islands and on the Continent for this Service, for as the Plantations can bear this Charge, being chargeable with little or no Duties, so it is not reasonable they should be a burden to Great Britain.[4]

These suggestions were not adopted by the home authorities, but neither were they abandoned by Cumings. In 1722 he wrote to the Board of Trade giving the details of an Indian raid instigated by the French, and stating his opinion that the colonies would not be adequately protected unless the Crown undertook their defence. He added that he could propose a scheme for raising a fund in the colonies which, while not burdensome to them, would be sufficient to defray the expense of maintaining five to six thousand regular troops there, and also sufficient to pay the salaries of the governors and other colonial officials appointed by the Crown.[5] Naturally, the Board of Trade[6] was ready to hear the details of so promising a scheme, and accordingly Cumings sent to England an elaborate and detailed plan of colonial taxation.[7] A large colonial

the House of Commons, Franklin was asked if he knew of this project. He replied in the negative. Parl. Hist. 16, p. 143.

[1] In 1708 Cumings was appointed to prevent illegal trade in Newfoundland, and was subsequently transferred to Massachusetts. B. T. Newfoundland 28, pp. 59, 60.

[2] B. T. New England 44, pp. 11 *et seq.*

[3] Both British and foreign.

[4] In addition, he suggested a duty on logwood shipped from the colonies to foreign parts.

[5] B. T. New England 16 X 86.

[6] B. T. New England 44, p. 349.

[7] B. T. Plant. Gen. 10 L 48: Cumings to B. T., November 3, 1722.

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revenue was to be raised by a variety of taxes: by stamp duties, by import duties on West Indian products and wine, by an excise tax on rum distilled in the colonies and by a tax on unimproved land.[1] In addition, Cumings suggested that in the future no part of the British duties be refunded on foreign European goods shipped from Great Britain to the colonies.[2]

A few years after this proposal of Cumings, Sir William Keith, who had been deputy-governor of Pennsylvania, suggested that the stamp duties be extended to the colonies, in order to provide a fund for a standing army and for the salaries of governors, judges and other officials.[3]

All of these recommendations failed of acceptance. Thus the colonists insensibly drifted into the idea that Parliament could not legally tax them. The British government never raised the issue, seemingly preferring the administrative inefficiency involved in the continuous quarrels between the legislatures and the royal governors to so radical a departure from the customary practice. English character is normally conservative, and this was the age dominated by Sir Robert Walpole, whose maxim, according to his son, was "*quieta non movere*."[4] It was impossible to predict the consequences of a parliamentary tax, which though a remedy for the patent evils would create a large amount of friction. The British government was not unaware of colonial sentiment in regard to parliamentary taxation. Richard Partridge, who represented the interests of the continental colonies in the prolonged struggle over the Molasses Act of 1733,[5] wrote to the Duke of New-

[1] In this last suggestion, Cumings anticipates some modern thinkers. Unimproved land was to be taxed because "great tracts of land are ingrossed, in the hand of Rich Men, and growing in value daily, tho' unimproved, but never taxed."

[2] Cumings estimated that this change would yield £40,000 to £50,000 yearly. The goods on which he suggested that the drawbacks be no longer allowed were foreign linens, canvas, calicoes, muslins, hemp, tea, coffee, pepper, paper and fruits.

[3] Memorial of Keith, 1728, in Am. and W. I. 602, and B. T. Plant. Gen. 10 L 105. See also Sir William Keith, A Collection of Papers and other Tracts (London, 1740), pp. 168 *et seq.*

[4] Walpole, Memoirs George III (ed. Barker) II, p. 50.

[5] The passage of this act, which contained within it the seeds of much future trouble, is in striking contrast to the motto ascribed to Sir Robert Walpole.

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castle that the duties imposed by that act were worse than the prohibition of all trade with the foreign West Indies proposed the previous year, for in addition to the economic injury inflicted on the continental colonies, "it is divesting them of their Rights & privilidges as ye Kings Natural born Subjects and Englishmen in levying Subsidies upon them against their Consent when they are annexed to no County in Great Britain, have no Representatives in parliam[t] nor are any part of ye Legislature of this Kingdom."[1] Similarly, in 1744, George Clinton, then governor of New York, strongly advised against imposing a stamp tax on the colonies, as the people were averse to any taxes unless raised by themselves.[2]

After the renewal of the world-wide struggle between Great Britain and France, these suggestions of colonial taxation became more frequent. Thus in 1750, Governor Clinton, in spite of his previous advice, proposed the parliamentary imposition of import duties in the colonies to provide a fund for fortifying the frontiers.[3] In the following year, Cadwallader Colden prepared a detailed memorial on Indian affairs,[4] contrasting the success of the French policy with the failure of the English. This failure, he pointed out, was due to the fact that each of the English colonies pursued its own interests, which often clashed with those of another colony, and that the interest of the colonies as a whole was entirely disregarded. It followed therefore that Indian affairs ought to be managed jointly, and put in charge of one man as superintendent. Furthermore Colden pointed out that forts ought to be built on the frontiers. To provide a fund for these purposes, he advised that taxes be imposed on spirituous liquors imported into or made in the

[1] Am. and W. I. 8, no. 122: Partridge to Newcastle, March 28, 1733.

[2] Am. and W. I. 9, no. 217.

[3] Am. and W. I. 11, no. 146: Clinton to Bedford, March 26, 1750. This fund was also to support the civil list, as Clinton had become involved in an acrimonious dispute with the New York legislature about the colonial revenue. See Am. and W. I. 10 *passim*, and B. T. New York 28 Hh 17.

[4] B. T. New York 30 Ii 10. In the British State Papers for 1747, though probably of an earlier date, is an elaborate plan of colonial taxation designed to produce a revenue of £327,000. This scheme is anonymous, but was sent to the secretary of state from one of the northern colonies. Am. and W. I. 603.

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North American colonies. But "as this Duty is proposed to be general over all the Colonies, it must be imposed by Act of Parliament, because it would be a most vain imagination to expect, that all the Colonies would severally agree to impose it." These suggestions contemplated parliamentary taxation for supporting a regular military establishment in America and for the management of Indian affairs. As already pointed out, the British government in 1754 favored a union of the continental colonies for these purposes. But to many in America it was apparent, even before the issue of the attempt, that a union of the colonies could not be consummated by their own action. Thus at the very time that the colonial commissioners were sitting at Albany, the clear-sighted lieutenant-governor of Virginia, Robert Dinwiddie, in a forcible despatch to the secretary of state, bitterly commented on the particularism of the separate colonies and on their lack of a spirit of coöperation.

> Now what, Sir, [he wrote] must be the result of this? Virginia alone is not able to support the whole Burthen; & if some Method is not found to take away these destructive Denials of Assistance from the other Colonies, when it is judged proper to be demanded by his Majesty for the common Good, as now; The Consequence must be, the present Loss of one of the finest & most fertile Countries in America; & the future destruction of all the British Dominions on this Continent. [1]

As a remedy for this distressing state of affairs Dinwiddie proposed "an Act of Parliament to oblige each Colony to raise by a Pole Tax of one Shilling Sterling or otherways a proportional Quota of a general Sum to be applied to the present Exigency, & paid as the Legislature in Great Britain shall think fit to appoint." Later in the same year, when Washington was on the frontier striving to check the French advance, Dinwiddie was trying to arouse the Virginia Assembly to a consciousness of the seriousness of the situation and of the necessity of granting supplies adequate to meet it. The result of this discussion was that on September 23, 1754, Dinwiddie wrote to the Board of Trade:

> I cannot but observe, that I think it impossible to conduct any Expe-

[1] Am. and W. I. 67: Dinwiddie to Sir Thomas Robinson, June 18, 1754.

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dition in these parts with a Dependence of a Supply from the Assemblies, without a British Act of Parliament to lay a Poll Tax on the whole Subjects in these Provinces to bring them to a Sense of their Duty to the King, to awaken them from their Indolence to take Care of their Lives & Fortunes.[1]

The attitude of the Southern colonies (including therein Pennsylvania) in failing to coöperate heartily with the forces sent over from Great Britain under Braddock, served to strengthen Dinwiddie in his opinion that parliamentary taxation was essential. On February 12, 1755, he wrote to Sir Thomas Robinson, then secretary of state: "Indeed I fear the Colonies will not be persuaded to grant mutual Supplies, but by a British Act of Parliament laying a general Tax on the Whole."[2] Two months later, Dinwiddie again wrote to Robinson,[3] expressing his doubts as to getting the necessary supplies from the Virginia Assembly, as Maryland and Pennsylvania have been as "monstrously backward,"[4] and adding: "but really, without a British Act of Parliament to oblidge all the Colonies to a mutual Supply, I dread the Governours will hardly be able to perswade them." Early in the following year, Dinwiddie again wrote to the Board of Trade on the same subject,[5] pointing out that it would be precarious to rely on the colonial assemblies for the funds necessary to carry on the approaching war, and suggesting parliamentary taxation[6] of the colonies on the ground that "the Affairs here offered are entirely for the protection of their Estates, Lives, and every Thing else dear to Mankind." Dinwiddie added frankly that such a tax would arouse opposition

[1] B. T. Virginia 25 W 170. [2] Am. and W. I. 68.

[3] Am. and W. I. 68: Dinwiddie to Robinson, April 30, 1755.

[4] On October 1, 1755, Dinwiddie wrote to the British government: "I hope the Parliament will take into their Consideration the shameful Behaviour of the Proprietary Governments of Maryland and Pennsylvania, by altering their Constitution." Am. and W. I. 69.

[5] B. T. Virginia 25 W 208: February 23, 1756.

[6] Dinwiddie suggested a poll tax for two years of one shilling sterling, which would produce in all £100,000, to build the necessary forts, and for their support he proposed a permanent land tax modelled on the Virginia quit-rents of two shillings yearly per hundred acres, which would produce £60,000 yearly.

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in the colonies.[1] Dinwiddie's suggestion was not an isolated one;[2] in fact, to many this seemed the easiest, quickest and consequently most effective way to secure colonial coöperation. It was generally recognized that part of the burden of the approaching war in America should in equity be borne by the colonies. No one questioned this. It was also recognized that the colonies would not voluntarily form a union and thus bear their proportionate share. Though Franklin favored the creation of such a federation by act of Parliament, regardless of the wishes of the colonies, he opposed their taxation by the same body "where they (the colonies) have no representatives." Such a course, he said, "would create extreme dissatisfaction," because it was supposed to be "an undoubted right of Englishmen, not to be taxed but by their consent given through their representatives."[3] The ablest colonial governor of the time, William Shirley of Massachusetts, was, however, strongly in favor of a parliamentary union coupled with parliamentary taxation of the colonies. On February 4, 1755, he wrote to Sir Thomas Robinson,[4] commenting on the unpatriotic action and petty spirit of the various colonial legislatures in face of the French danger. The Pennsylvania legislature, after "an absurd obstinate Dispute wth Gov^{r} Morris ab^{t} Instructions have adjourned themselves, whilst the Enemy is at their Doors, to the beginning of May, without doing anything for the preservation of their Country." The Maryland Assembly has likewise "risen" without doing anything further than providing for "a Company of fifty men, w^{ch} was done before." South Carolina was not active in the common cause, and Virginia was not doing as much as she should.[5]

[1] "I know our People will be inflamed if they hear of my making this Proposal, as they are averse to all Taxes."

[2] On April 19, 1755, Braddock wrote at length to Sir Thomas Robinson about the disunion of the colonies, their immoderate jealousy of one another, and the great difficulties encountered in inducing them to coöperate with him, adding: "I can't help taking the liberty of mentioning the Necessity there appears to me to be of some Tax being laid throughout His Majesty's Dominions in North America" at this crisis. Am. and W. I. 82.

[3] Franklin, Writings (ed. Smyth) III, pp. 231–233. [4] Am. and W. I. 68.

[5] These criticisms referred to the inadequate support given by the Southern col-

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This behaviour [Shirley concluded] seems to shew the necessity not only of a parliamentary Union but Taxation for the preservation of his Majestys Dominions upon this Continent, w^ch^ the several Assemblies have, in so great a measure abandon'd the Defence of, and thereby layd his Majestys Governm^t^ at home under a necessity of taking care of it for the State by suitable assessm^ts^ upon the Colonies.

Shirley's plan was to convene an assembly of all the governors and some members of the various colonial councils, which should have power to draw on the British exchequer for funds needed for the defence of the colonies, Great Britain being in turn reimbursed for this expenditure by a tax imposed on the colonies by act of Parliament.[1] This plan was considered by the home authorities, but further information was desired. Accordingly, in 1755, the Board of Trade wrote to Shirley for his opinion on three points. First, the best general system for the defence of the frontiers against all future encroachments and invasions, with a plan of the forts that should be erected and an estimate of the number of regular troops that would have to be kept in the colonies. Second, a plan for managing Indian affairs under one head; and third, "what will be a proper Fund to be established for making a constant, and permanent Provision for these Services, with the least Burthen and Inconvenience to his Majesty's Subjects."[2] The Board, it should be noted, was considering a permanent military organization in the colonies.

On January 5, 1756, Shirley sent a detailed reply to the Board of Trade's request for his opinion on these matters.[3] He said that 6480 regular soldiers would be required to garrison the necessary forts in time of peace, but he added that the expense of defending America would be less if the French were removed from Canada. In order to cover the cost of this mili-

onies and by Pennsylvania to Braddock. In 1755 Georgia refused to contribute either men or money, but, as Governor Reynolds pointed out, this colony was too poor and too thinly populated to afford assistance. Addresses of Council and Assembly, respectively, to Reynolds, February 4 and 6, 1755, in Am. and W. I. 68; and Reynolds to Sir Thomas Robinson, July 1, 1755, in Am. and W. I. 70.

[1] Hutchinson, Mass. III, p. 23. This was the plan that Franklin opposed.

[2] B. T. Mass. 74 Hh 68.

[3] B. T. Mass. 74 Hh 68.

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tary system, he advised the establishment of a general fund in all the colonies, each colony contributing to it according to its ability. But he added that, as the colonies would not be able to come to an agreement as to such a fund, the only effectual way to establish it would be by an act of Parliament, assessing each colony according to its white population of the male sex. Shirley was, however, more cautious now than he had been the preceding year and he added: "For the general Satisfaction of the People in each Colony it would be advisable to leave it to their Choice to raise the Sum assessed upon them according to their own discretion." In case any colony refused to pay the assessment, then the home government should raise it by a poll-tax imposed on the white and black population of the recalcitrant colony.[1]

The British government did not adopt these suggestions, though they came from men of conspicuous ability who, from long and faithful service in the colonies, were seemingly in the best position to advise wisely. The interests of both Dinwiddie and Shirley were colonial rather than English in the narrow sense; both, especially Shirley, were ardent imperialists. Nor on the other hand, did the British government definitely reject these suggestions. The lack of union among the colonies in face of a great danger was a severe strain on its patience. It is characteristic of the particularistic spirit prevailing in the colonies that in 1755, at a time when their very existence was threatened by the French, Massachusetts and New York engaged in a bitter boundary controversy leading to riot and bloodshed. This episode called forth a caustic rebuke from the lords of trade, who wrote to Shirley: "It is very much to be lamented, that the internal peace of Government should be disturbed by trivial Disputes of this kind, at a time when the Colonys are so loudly called upon to exert with the greatest unani-

[1] At about the same time, on December 26, 1755, Governor Arthur Dobbs, of North Carolina, wrote to the Board of Trade on the same subject. He estimated that 2800 soldiers would be required to garrison the necessary forts in the colonies in time of peace, and the expense involved thereby would be £63,000 yearly. This sum, he wrote, should be apportioned among the colonies according to their wealth and numbers, and they, in turn, were to raise it in the manner in which each colony preferred. B. T. North Carolina 12 C 101.

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mity their utmost Strength in their own defence, and in vindication of His Majesty's Right."[1] This attitude of the colonies forced the British government to the conclusion that a large force of soldiers must be permanently kept in America even in time of peace.[2] According to the established theory of defence, the expense incurred thereby should be defrayed by the colonies; but in order to make them assume it, no other way suggested itself as feasible but a tax laid by Parliament. Such a tax was, however, a distinct innovation, and its effect on the colonies could not be accurately gauged. The French general, Montcalm, who had a keen insight into conditions in the British colonies, thought it a grievous blunder that they had not been taxed from the outset,[3] but he added: "I have certain Advice, that all the Colonies would take Fire at being taxed now."[4]

Though all these plans, whether of colonial union or of parliamentary taxation, were intended for a permanent military establishment in the colonies in time of peace, their ultimate object was to effect the security of the colonies in the event of war. A war with France was imminent, and in it Great Britain desired the colonies to exert themselves to the utmost. The adoption at such a crisis of a scheme of parliamentary taxation would have aroused some opposition in the colonies, though

[1] B. T. Mass. 84, p. 326. Again in 1757 this boundary dispute led to bloodshed. B. T. New York 34 *passim*. In 1755 North Carolina was engaged in a similar dispute with both Virginia and South Carolina. B. T. North Carolina 12 C 74 *et passim*. For boundary disputes in 1757 between North and South Carolina, see B. T. South Carolina 19 L 8.

[2] B. T. Mass. 74 Hh 68.

[3] M. de Montcalm à M. de Bernier: "Faute énorme de ne pas les taxier dès le commencement." MSS. of the Marquess of Lothian (Hist. MSS. Com., 1905), p. 240. This letter, dated October 1, 1758, is given in English in the Dartmouth MSS., Hist. MSS. Com. 14, X, pp. 545, 546: "As to the English Colonies one essential point should be known: it is, that they are never taxed—they keep that to themselves. An enormous fault this in the Policy of the Mother Country. She should have taxed them from the Foundation." These are evidently the letters which Bancroft (ed. 1852, vol. v, p. 180 n.) categorically asserted were forgeries, basing his opinion on 'their style, exaggeration, and want of all authentication.' The editors of the above-quoted manuscripts do not lead one to infer that they were forgeries.

[4] Dartmouth MSS. as *ante*.

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not to the same extent that it did later, after the French danger had been removed by the conquest of Canada. Thus, instead of strengthening the Empire in the impending struggle with France, the carrying out of Dinwiddie's and Shirley's suggestions would have had the opposite effect. Hence, these various plans were not adopted. In 1756, on the outbreak of formal hostilities, they were laid aside, to be taken up again on the restoration of peace.

IV. *The Requisition System during the War, 1756–1763*

Owing to the failure of the plan of union of 1754 and the hesitation of the British government to adopt a policy of colonial taxation, coupled with a union imposed by act of Parliament, nothing had been accomplished at the outbreak of formal war with France toward creating in the colonies a regular military establishment, which in time of peace would be adequate to protect them against the Indians and to prevent the aggressions of either the French or the Spaniards, and which in war time would serve as a basis for effective coöperation with the British forces. Thus the mother country was forced to rely on the old requisition system, which had never worked successfully, as it had left the ultimate decision as to the extent of military support to the colonies themselves. From such a decentralized system as was this, in which each colony could refuse the requisition for soldiers or only partially comply with it, the best results could be obtained only if the colonies were encouraged to exert their utmost efforts. Accordingly, the plans for colonial taxation were laid aside and the British government adopted measures calculated to arouse the colonies to energetic action.

In addition to the disastrous Braddock expedition of 1755, in which support was afforded by the colonies, three other military enterprises were undertaken that year. These were the successful campaign in Nova Scotia and the unsuccessful expeditions against Crown Point and Niagara, the two latter being purely colonial undertakings. On December 3, 1755, the Board of Trade had a hearing on the contributions of the various colonies to these military enterprises.[1] The total expense of the col-

[1] B. T. Journals 63.

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onies was estimated at £170,000,[1] and the Board recommended that Parliament be asked to grant the colonies £120,000 "as an Encouragement to exert themselves for the future in their mutual and common Defence." The Board specifically said that "the money proposed to be given to the Colonies is meant as a Bounty and Encouragement" to them in consideration of their past services.[2] Parliament adopted this suggestion, and in 1756 voted £115,000 for distribution among the Northern colonies, and £5000 to Sir William Johnson,[3] whose partial success in the Crown Point expedition, together with that obtained in Nova Scotia, relieved the otherwise dismal military record of the preceding year. This money was distributed among the Northern colonies which had undertaken the attacks on Crown Point and Niagara, and it practically covered their entire expenses therein.[4] Nothing was voted to the Southern

[1] The Board of Trade estimated the expenses of the colonies in the three expeditions against Du Quesne, Niagara and Crown Point as follows:

New York	£18,900	Rhode Island	£8,000
New Jersey	6,900	Virginia	22,000
New Hampshire	9,000	North Carolina	8,000
Massachusetts	60,000	Pennsylvania	3,800
Connecticut	29,000	Maryland	4,500
		Total	£170,100

The Board said that it was possible that some of these estimates were too large and, on the other hand, others too small. Am. and W. I. 605; B. T. Plant. Gen. 43, p. 439.

[2] Board of Trade to Henry Fox, January 16, 1756. Am. and W. I. 605. B. T. Plant. Gen. 43, p. 441.

[3] 29 Geo. II, c. 29. This money was voted "as a free gift and reward for their past services, and an encouragement to them to continue to exert themselves with vigour in defence of his Majesty's just rights and possessions."

[4] The Board of Trade recommended the following division of this grant:

Massachusetts	£54,000	[New England	£95,000]
New Hampshire	8,000	New York	15,000
Connecticut	26,000	New Jersey	5,000
Rhode Island	7,000		
New England	£95,000	Total	£115,000

The total expenses of these colonies were estimated at £131,800. B. T. Plant. Gen. 43, p. 443. Massachusetts was the most public-spirited of the colonies, but even in this colony there existed conditions hampering military efficiency. In 1755 the men refused to enlist on general terms, and refused to serve on any expedition further south than Niagara. See Shirley to Robinson, June 20, 1755. Am. and W. I. 68.

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colonies for their support to Braddock, because their help was considered inadequate. This, however, led to some ill-feeling; and in 1756 Virginia and North Carolina applied to the mother country for financial aid.[1] Accordingly, in 1757, Parliament granted £50,000 to Virginia and the Carolinas as a recompense for what they had done, both in defending themselves and in acting against the enemy.[2] Nothing was voted for Pennsylvania and Maryland, whose support was insignificant. These parliamentary grants of 1756 and 1757 formed the basis of a system elaborated by Pitt in order to secure a large body of colonial troops. Toward the end of the year 1757, he addressed circular letters to the colonial governors, urging the colonies to raise a large force. All that was expected from the colonies was the levying, clothing and paying of the provincial soldiers as in the previous campaigns,[3] the Crown agreeing to furnish these soldiers with arms, ammunition, tents, provisions and artillery. In addition, Pitt said that "strong Recommendations will be made to Parliament, in their Session next year, to grant a proper Compensation for such Expences as above, according as the active Vigor, and strenuous Efforts of the respective Provinces shall justly appear to merit."[4] A large force was raised

[1] James Abercromby, agent for both colonies, said that Virginia had spent the following amounts:

1753	Defence of frontiers	£10,000
1754	Assistance to Braddock	20,000
1755	Men under Washington	65,000
1756	Support of militia	30,000
		£125,000

These sums are given in currency, and the total of £125,000 was equal to £100,000 sterling. B. T. Virginia 26 X 5.

[2] 30 Geo. II, c. 26. *Cf.* B. T. Virginia 26 X 36.

[3] In 1758 Parliament voted £27,380 to Massachusetts and £13,736 to Connecticut to reimburse them for provisions and stores furnished to the troops raised in 1756. 31 Geo. II, c. 33. In 1760 Parliament voted £2977 to New York for similar services. 33 Geo. II, c. 19. In 1757 there was some discussion between Loudoun and Massachusetts, the colony putting all camp necessaries, such as platters, pans, kegs, *etc.*, under the category of artillery, which the Crown had agreed to provide. Loudoun to Pitt, May 3, 1757. Am. and W. I. 85.

[4] Pitt to the governors of Massachusetts, New Hampshire, Connecticut, Rhode Island, New York and New Jersey, December 30, 1757. Am. and W. I. 75.

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in the colonies for the campaign of 1758, and in accordance with Pitt's recommendation, Parliament in 1759 voted £200,000 as compensation to the colonies for their military services.[1] This system was followed in subsequent years throughout the entire war. Each year the secretary of state addressed circular letters to the colonial governors, urging them to raise troops and promising to recommend to Parliament the granting of a proper compensation for these services.[2] Each year, Parliament in turn granted large sums to the colonies.[3] These grants were partly in the nature of a reimbursement, due to the colonies in pursuance of a promise made by the secretary of state, partly in the nature of free gifts to encourage them to energetic action.[4] The object of the system was to raise in the colonies as large a force as was possible. This was an important point, as great difficulty was encountered in raising troops in England. By this means also the heavy cost of transporting from Europe

Printed in Thackeray, Life of Chatham, II, pp. 419–422; also in Correspondence of William Pitt (ed. G. S. Kimball; referred to in future as Pitt Correspondence) I, p. 136. Pitt, same date, to governors of Pennsylvania, Maryland, Virginia, North and South Carolina. Am. and W. I. 75. On the origins of this system, see Ruville, William Pitt, II, p. 196.

[1] 32 Geo. II, c. 36. On April 30, 1759, the House of Commons passed a resolution that a sum not exceeding £200,000 be granted to his Majesty to enable him "to give a proper Compensation to the respective Provinces in *North America*, for the Expences incurred by them in the Levying, Cloathing, and Pay, of the Troops raised by the same, according as the active Vigour and strenuous Efforts of the respective Provinces shall be thought by his Majesty to merit." Commons Journal 28, p. 563.

[2] Pitt to the colonial governors, December 9, 1758. Am. and W. I. 76. Printed in Pitt Correspondence I, p. 417; in Dartmouth MSS., Hist. MSS. Com. XIV, 10, p. 9, and elsewhere. This system was continued by Pitt's Successor. Egremont to the colonial governors, December 12, 1761. Am. and W. I. 77.

[3] 1759, £200,000 (32 Geo. II, c.36); 1760, £200,000 (33 Geo. II, c. 19); 1761, £200,000 (1 Geo. III, c. 19); 1762, £133,333 (2 Geo. III, c. 34); 1763, £133,333 (3 Geo. III, c. 17).

[4] See James DeLancey to Pitt, December 17, 1758, enclosing a representation of the New York legislature "praying a reimbursement of their expenses for the provisions furnished in the year 1756" and "some consideration for the great expence the Province has been at this year and which from your Letter of December last they had some encouragement to hope for." Am. and W. I. 71. *Cf.* also Fitch to Pitt, April 16, 1759, and July 14, 1759. *Ibid.*, 72.

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all the needed soldiers was avoided.[1] This system of parliamentary grants tended to induce the colonies to raise comparatively large forces, for the less a colony did, the smaller was the proportionate compensation received from the home authorities.[2] It also tended to induce the colonies to grant yearly the necessary money for the military service; for a colony which withheld its supply for any year was not likely to receive any compensation for the grant of the preceding year. The total amount voted by Parliament for the colonies as compensation for levying, clothing and paying the soldiers was a large proportion of their outlay for military purposes, about two-fifths of the whole.[3]

The greatest difficulty in securing adequate coöperation from the colonies was encountered in the years 1756 and 1757, before this system was fully established. Loudoun, the commander-in-chief during these years, had great trouble with the colonies, and though he showed little tact in handling them, his feelings of annoyance were justifiable. Not only was much difficulty experienced in obtaining the levies themselves, but there were also interminable disputes and discussions about pay, food, transportion, conditions of service and other matters of similar nature.[4] As a result of his experiences, Loudoun reached the not surprising conclusion that "every Man in this Country would, if possible, throw the whole Expence on the Publick, and save the Province from being at one Shilling Expence for the Common Cause," and that "it is the constant study of every Province here, to throw every Expence on the Crown, and bear no part of the Expence of this War them-

[1] As Pitt pointed out in his speech against the treaty of 1763, the expense involved in transporting an army to America was very large. Parl. Hist. 15, pp. 1266, 1267.

[2] Franklin said that Pennsylvania spent about £500,000 during the war, and that the total reimbursements did not exceed £60,000. Parl. Hist. 16, p. 139. The former amount is evidently in Pennsylvania currency which would nearly cut it in two, the latter in sterling.

[3] Franklin, Writings (ed. Smyth) IV, p. 402. See also Pownall to Pitt, September 30, 1758, and December 8, 1758. Am. and W. I. 71.

[4] *Cf.*, *e. g.*, Loudoun to Pitt, April 25, 1757, and May 3, 1757. Am. and W. I. 85.

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selves."[1] On August 16, 1757,[2] he wrote in detail to Holdernesse, one of the two British secretaries of state, regarding the aid that could be expected from the colonies. The only satisfactory response to his call for troops had come from Massachusetts, Connecticut and New York, the three colonies which throughout the entire war showed the most public spirit. The failure of the other colonies to comply with his demands was due to various reasons. Georgia was too poor to give any aid or even to provide for her own defence. North Carolina, though fairly populous, was poor, and so was New Hampshire; thus, little could be expected from them. Rhode Island, Loudoun claimed, was unwilling to afford the required aid, and Virginia,[3] he said, had never furnished her quota. South Carolina proposed raising a regiment. By act of the legislature, Maryland had taken her troops from under the king's commands.[4] From New Jersey, on account of the strong Quaker influence, little could be expected.[5] The system was inherently bad; each colony, fearing to do more than its neighbor, did less than it could. Thus in 1757 Dinwiddie wrote to Pitt that the tardiness of Pennsylvania and Maryland 'loaded him with many difficulties to raise our people in Virginia to a just sense of their duty.'[6]

After Pitt was in full charge of affairs, and the system of parliamentary grants had been definitely established, less difficulty was encountered in securing large levies in the colonies. For the American campaign of 1758, as planned by Pitt, about fifty-one thousand soldiers were required, of which one-half

[1] Loudoun to Pitt, May 3, 1757. Am. and W. I. 85.

[2] Am. and W. I. 85.

[3] *Cf.* Dinwiddie to Pitt, June 18, 1757, claiming that Virginia was doing more than her full share. Am. and W. I. 71.

[4] *Cf.* Loudoun to Pitt, June 17, 1757. "Maryland has taken the Command of all Provincial Troops, entirely out of the King's hands, or of any General he appoints." Am. and W. I. 85.

[5] *Cf. ibid.*, and likewise Loudoun to Pitt, April 25, 1757 (Am. and W. I. 85), and Belcher to Pitt, May 11, 1757 (Am. and W. I. 71).

[6] Am. and W. I. 71: Dinwiddie to Pitt, June 18, 1757.

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was to be raised in the colonies.[1] Pitt instructed the Northern colonies to raise twenty thousand men,[2] and the Southern colonies as many men as possible,[3] promising that he would recommend to Parliament that some compensation be granted them for these services. The levies of the Northern colonies were to be used by Abercromby in his attack on Crown Point, those of the Southern colonies in the expedition against Du Quesne under Forbes. The response of the Northern colonies was, on the whole, satisfactory, though not completely so. The total number of soldiers provided for by these colonies was about twenty-five hundred short of the number asked.[4] Massachusetts and Connecticut were particularly energetic, and the former colony deserved all the praise that its governor Pownall claimed for it.[5] Though New York also provided what seems

[1] Memorandum of Troops for the year 1758:

I. Louisburg expedition under Amherst	14,215 regulars	600 rangers
II. Crown Point expedition under Abercromby	9,447 regulars	20,000 provincials
III. Du Quesne expedition under Forbes	1,880 regulars	5,000 provincials
Total	25,542 regulars	25,600 provincials

Am. and W. I. 75. The actual numbers employed differed considerably from those in this plan.

[2] Pitt to governors of Northern colonies, December 30, 1757. Am. and W. I. 75.

[3] Pitt to governors of Southern colonies, December 30, 1757. Am. and W. I. 75.

[4]

Massachusetts	7,000	Rhode Island	1,000
Connecticut	5,000	New Jersey	1,000
New York	2,680	New Hampshire	800
		Total	17,480

James Abercromby to Pitt, April 28, 1758. Am. and W. I. 87. The actual number of soldiers raised did not correspond exactly with these figures, as difficulty was encountered in enlisting the full numbers for which the colonial legislatures had made provision.

[5] Prior to the receipt of Pitt's circular letter of December, 1757, Pownall encountered great difficulty in raising troops in Massachusetts, objections being made to the plan of operations and to a junction with the regular soldiers on account of rank. On receipt of Pitt's despatch, however, immediate provision was made for raising 7000 men. Pownall to Pitt, March 14, 1758. Am. and W. I. 71. Pownall also succeeded in putting "an End to all committees & Commissaries of Warr which has been alway an unwarrantable encroachment upon y^e^ Crown & a perpetual Clog delay & obstruction to his Majestys Service." Pownall to Pitt, May 7, 1758. Am. and W. I. 71. The zeal of Massachusetts was the more praiseworthy as the colony was suffering from a business depression which was partly the result of the war. Pownall to Pitt, September 30, 1758. Am. and W. I. 71.

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to have been its full quota of soldiers, the action of this colony in not doing more was criticized, because the increased demand for its agricultural products during the war had made it very prosperous.[1] Rhode Island, New Hampshire and New Jersey did not evince the same public spirit.[2] The latter colony made provision for only one thousand men—a number which, according to Abercromby, the commander-in-chief, was "far short of their Abilities." He feared that this action of New Jersey "might slacken the Ardour of the other Colonies, who are but too apt to seize upon every Precedent that may Countenance their burthening the Mother Country, and exempting themselves."[3]

The action of the Southern colonies was far less satisfactory. Virginia proposed raising two thousand men;[4] but in the two rich proprietary colonies, local political disputes interfered with the granting of effective support.[5] The Maryland Assembly "broke up without providing any one thing for the present Service."[6] As Forbes was in great need of soldiers, he was forced to take into the Crown's pay a small body of Maryland troops that would otherwise have been disbanded.[7] In Pennsylvania, the dispute with the proprietors delayed the levying of the troops provided for by the Assembly.[8] Nothing was ex-

[1] The fact that the troops made their *rendezvous* in New York enriched it very much. Burnaby, Travels (ed. R. R. Wilson), p. 118. In 1756 Franklin wrote: "This only I can plainly see, that New York is growing immensely rich, by Money brought into it from all Quarters for the Pay and Subsistence of the Troops." Franklin, Writings (ed. Smyth) III, p. 356. Pownall claimed that New York took advantage of a "particular Expression" in Pitt's letter, and disregarded its spirit, in asserting that its proportion was only 2680 men. Pownall to Pitt, March 23, 1758. Am. and W. I. 71. DeLancey, however, wrote to Pitt that this number was New York's full quota, and added: "I should have been glad the circumstances of the Province would have allowed a greater number." New York, Col. Doc. VII, p. 343.

[2] *Cf.* Pownall to Pitt, March 23, 1758, and Abercromby to Pitt, April 28, 1758. Am. and W. I. 71, 87.

[3] Abercromby to Pitt, April 28, 1758. Am. and W. I. 87.

[4] *Ibid.*

[5] *Ibid.* Also Forbes to Pitt, May 1 and 19, 1756. Am. and W. I. 87.

[6] Forbes to Pitt, June 17, 1758. Am. and W. I. 87.

[7] Pitt Correspondence I, pp. 279, 329.

[8] Abercromby demanded 6000 men as the quota of Virginia, Maryland and Pennsylvania. The Pennsylvania Assembly voted to raise 2700 men, but the dispute with

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pected from the Carolinas,[1] but thanks to the efforts of Governor Dobbs, a small force was sent from North Carolina.[2] Not only was the support deficient in quantity, but, according to Forbes, it was also sadly lacking in quality.[3] Furthermore the colonial levies were so late in arriving that military operations were seriously delayed. As late as May 19, 1758, Forbes wrote that he was still in hopes of getting a fair proportion of the Pennsylvania troops by June 1, and that he would be well pleased if he got "a few more than half" of the Virginia forces by the same date.[4] In addition to the difficulty in securing the colonial troops, the commander-in-chief was beset by other troubles arising from the very nature of this decentralized system. Thus the words in Pitt's circular despatch—"the whole, therefore that His majesty expects and requires from the several

the proprietor delayed the passage of the supply bill. This bill, in turn, was inadequate and retarded the levying of the soldiers. Pitt Correspondence I, pp. 215, 230, 235, 236, 245.

[1] Forbes to Pitt, May 1, 1758. Am. and W. I. 87.

[2] Pitt Correspondence I, pp. 328, 341.

[3] On September 6, 1758, Forbes wrote to Pitt: "I vainly at the beginning flattered myself that some very good Service might be drawn from the Virginia & Pennsylvania Forces, but am sorry to find that a few of their principal Officers excepted, all the rest are an extream bad Collection of broken Innkeepers, Horse Jockeys, & Indian traders, and that the Men under them, are a direct copy of their Officers, nor can it well be otherwise, as they are a gathering from the scum of the worst of people in every Country, who have wrought themselves up, into a panick at the very name of Indians." Pitt Correspondence I, p. 342. A short while after this Forbes commended the behaviour of some of the provincial troops in resisting an attack of the French. "I was extreamly angry to find our people had not pursued and attacked their rear in their retreat, from which we might have made reprizalls, but as our troops were mostly provincialls, I was obliged to attribute it to their ignorance, for to do justice I must commend the spirit of some of the provincialls particularly the Maryland troops, who I retained in the Service, after being left to disband by their Province." Pitt Correspondence I, p. 372. On April 10, 1758, Washington wrote to Stanwix to mention him in favorable terms to Forbes "as a person, who would gladly be distinguished in some measure from the *common run* of provincial officers, as I understand there will be a motley herd of us." Washington, Writings (ed. W. C. Ford) II, p. 6. Washington, however, subsequently wrote that the Virginians acquired "very great applause for their gallant behavior" in action, and that he himself "had the honor to be pnblickly complimented" by Forbes on the same occasion. *Ibid.*, p. 99; *cf.* p. 102.

[4] Pitt Correspondence I, p. 245. The delay was due in the main to Pennsylvania. See *Ibid.*, pp. 275, 276.

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Provinces, is the Levying, Cloathing and Pay of the Men"— were construed by some of the colonies to mean that they were exempt from furnishing their men with camp necessaries and utensils as they had formerly done. "But this," Abercromby wrote, "I have got the better on."[1]

The high mark of colonial coöperation was reached in the campaign of 1758. In 1759 there was a slight falling-off, and in general the same difficulties were encountered as in 1758, especially in the Southern colonies.[2] Massachusetts,[3] Connecticut,[4] and New York again showed the most public spirit.[5] For 1760 the same number of provincial soldiers was desired as in the two preceding campaigns. Amherst, the commander-in-chief, did not anticipate that there would be any difficulty in raising the required number of men,[6] but some talk of a probable peace with France delayed the levying of troops.[7] This in turn interfered with the military operations. Amherst wrote: "The Sloth of the Colonies in raising their Troops, and sending them to their Rendez-vous, made it impracticable for me to move the Troops on, so soon as I could have wished."[8] In general, the various colonies again afforded about the same relative support as in the preceding campaigns.[9] The Southern

[1] Abercromby to Pitt, April 28, 1758. Am. and W. I. 87.

[2] Stanwix to Pitt, June 22, 1759. Am. and W. I. 91.

[3] Massachusetts provided for 6500 men. Pownall to Pitt, March 16 and April 19, 1759. Am. and W. I. 72.

[4] Connecticut provided for 4600 men. Fitch to Pitt, April 16 and July 14, 1759. Am. and W. I. 72.

[5] New Jersey provided for one thousand men, as in the preceding year when Abercromby criticized this action. The governor, Francis Bernard, wrote to Pitt on March 20, 1759, that New Jersey showed her zeal for the cause in voting 1000 men, as her population was only 70,000 to 80,000 and as she was spending yearly on the war £70,000, whereas Pennsylvania which was five times as populous, raised only £100,000. Am. and W. I. 72.

[6] Pitt Correspondence II, p. 226. [7] *Ibid.* II, pp. 301, 302.

[8] *Ibid.* II, p. 305: Amherst to Pitt, June 21, 1760.

[9] Connecticut provided for 5000 men. Pitt Correspondence, II, p. 273. Massachusetts provided for 5000 men over and above those in garrison at Louisburg and in Nova Scotia. *Ibid.* II, p. 254. New York provided for 2680 men and New Hampshire for 800 men. *Ibid.* II, pp. 286, 289. Pennsylvania provided for 2700 men. *Ibid.* II, p. 276.

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colonies were again backward,[1] and their attitude caused Pitt to send them a stinging rebuke "for the Want of Zeal, they have shown on former Occasions for the King's Service."[2] Of these Maryland 'had failed in its Duty' and North Carolina was 'extremely wanting.'

In 1760 Montreal fell, and with it Canada became virtually a British possession. Hence there was not the same need for colonial troops, and the Northern colonies were asked to raise only two-thirds of their previous levies, while the delinquent Southern colonies were asked to raise as many men as was possible.[3] The removal of the danger of a French invasion, however, lessened the ardor of the colonies, and their responses were less satisfactory than they had been during the preceding years.[4] In 1761, Egremont, then secretary of state, censured the Southern colonies for their neglect, just as Pitt had censured them the year before.[5] The same number of troops was again requisitioned for the campaign of 1762.[6] Maryland, Pennsyl-

[1] Sharpe to Pitt, April 14, 1760, to the effect that there was no hope for troops from Maryland. Pitt Correspondence II, pp. 274, 275. The same was true of North Carolina. *Ibid.* II, p. 297.

[2] Pitt to Amherst, December 17, 1760. Am. and W. I. 77. South Carolina and, to some extent, Virginia also were undeservedly included in this rebuke. According to Bull, the lieutenant-governor of South Carolina, that colony was unable to raise men for service under Amherst as its strength was needed to cope with the Cherokees. Pitt Correspondence II, pp. 286, 287, 420–425. In 1760 Virginia had 1400 men in her pay, of whom 1000 were detached to assist South Carolina in the Cherokee war, thus leaving only 400 for service under General Monckton. *Ibid.* II, pp. 415–416.

[3] *Ibid.* II, pp. 365–370.

[4] Amherst to Pitt, May 4, 1761: "I imagine, the former apprehension of the Enemy invading the Provinces being now totally ceased, their Confidence of their own safety, may be the Occasion, that His Majesty's Requisition for this further Aid, has not been, so immediately and fully complyed with as ought to have been." Pitt Correspondence II, p. 426. For the attitudes of the various colonies, see *ibid.* II, pp. 415, 416, 419, 420–425, *et passim.*

[5] Egremont, December 12, 1761, to the governors of Pennsylvania, Maryland, North and South Carolina. Am. and W. I. 77. Pennsylvania was not included in this censure.

[6] The Northern colonies, including Pennsylvania, were asked to raise the same levies as in 1761, that is, two-thirds of the levies asked for in 1758, 1759 and 1760; and the Southern colonies were asked to raise as many men as possible. Egremont to the colonial governors, Dec. 12, 1761. Am. and W. I. 77.

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vania and North Carolina were this year especially rebuked for their failure to respond.[1] A small body of colonial troops was used in the successful attack on Havana,[2] and it was intended to use them also in the proposed expedition against Louisiana, which however, had to be abandoned on account of the inadequate force available.[3]

From this survey of events during the war it will be apparent that the requisition system was largely a failure. The most active and energetic colonies were Massachusetts, Connecticut and New York, which together furnished nearly seven-tenths of all the colonial troops, while their population was only only about one-third of the total number of whites in the continental colonies.[4] In addition to the troops raised for the army, Massachusetts supported forts and garrisons, and had scouts on the frontier. Moreover, though suffering from an economic depression, this colony kept two armed vessels at sea.[5] The

[1] Egremont to Amherst, July 10 and September 11, 1762. Am. and W. I. 77.

[2] Amherst was instructed to send 4000 troops to Albemarle for the attack on Havana, and he was to endeavor to raise in America some provincial troops as part of these 4000. The following provincial troops served with Albemarle: from New Jersey, 222; from Rhode Island, 217; from New York, 567; from Connecticut, 912. Albemarle was instructed to treat these provincial troops as regulars; and Amherst was also "authorized to offer to the said Provincials any further Douceurs that He shall think proper and reasonable." Albemarle was enjoined to "take especial Care. that They be treated with all such proper Attention and Humanity, that They may not return Home disgusted with the Service, but, on the Contrary, may be induced readily and chearfully to Act in conjunction with Our Regular Forces on any future Occasions." Secret Instructions to Albemarle, §§ 7 and 8 *et passim*, in Colonial Correspondence, Havana I.

[3] It was intended to attack Louisiana after the expedition against Havana had its issue. Amherst was instructed to send 4000 men to assist Albemarle against Havana, and, on the fall of that city, these troops were to be returned to him. Then with 8000 men he was to attack Louisiana. The great mortality among the English troops in Cuba due to sickness prevented Albemarle from returning these troops to Amherst, and the Louisiana enterprise had to be abandoned. Egremont to Amherst, January 13, July 10, September 11, 1762. Am. and W. I. 77. Amherst to Egremont, May 12, 1762. Am. and W. I. 97. Secret Instructions to Albemarle. Colonial Correspondence, Havana I. Albemarle to Egremont, August 21, 1762, and October 7, 1762. *Ibid.*

[4] Board of Trade's estimate, August 29, 1755. Am. and W. I. 605.

[5] Pownall to Admiralty, September 12, 1757. Admiralty, Secretary, In-Letters 3818. In 1758 Massachusetts had a twenty-gun ship. Pownall to Pitt, September 30, 1758. Am. and W. I. 71. See also Massachusetts Acts and Resolves III, p. 989 (1756–57, c. 12) *et passim*.

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least public-spirited colonies were North Carolina, Maryland and Pennsylvania. In North Carolina the enthusiasm of Governor Dobbs was not able to arouse the colony from its indifference to the great struggle, in which its own vital interests were intimately bound up. In the two other colonies, local political disputes interfered with effective support. In Maryland there was a serious quarrel between the two branches of the legislature, one popularly elected, the other appointed by the proprietor. Similarly, at this inopportune time, the Assembly in Pennsylvania sought to bring to an issue its disputed right to tax the proprietary estates. In the case of both these colonies there is good reason for thinking that they were not acting with entire sincerity and that they availed themselves of these disputes to shirk their simple duty.[1] But apart from the merits of these controversies, it is apparent that a system which allowed a colony to evade in whole or in part the performance of its obligations as a part of the Empire was inherently vicious. Each colony was intent on seeing what the others were doing, and the action of the least zealous tended to become the standard by which the others regulated themselves.[2] The system was an

[1] See Forbes to Pitt, July 10, 1758. Am. and W. I. 87. The Maryland Council refused to agree to the bill for raising troops in the form in which it had passed the lower house. Concerning this bill, Mereness (Maryland, p. 333) says that from several clauses in it "one is inclined to infer that the real intention of the house which passed it was to embarrass the government of the provinces rather than to give assistance to General Forbes." Two years later (April 14, 1760) Governor Sharpe wrote to Pitt that the lower house again presented the objectionable bill to the Council "not expecting their Concurrence, but conceiving that it would have a better Appearance for them to Vote Supplies & then propose to raise them by a Bill which they knew would be rejected, than at once to declare themselves entirely averse to granting any Money for His Majesty's Service." Sharpe added: "I am convinced that a Majority of their Constituents (now they think themselves secure from Danger) are really averse to being burthened with any new Taxes." Am. and W. I. 72. The sincerity of the Pennsylvania legislature is also open to serious question. See W. R. Shepherd, History of Proprietary Government in Pennsylvania, pp. 448 *et seq.* and p. 469. Governor Hamilton wrote to Pitt, May 12, 1761: "I cannot help being of Opinion, that they never did intend, from the beginning, to comply with his Majesty's requisitions in the smallest degree, but at the price of obtaining for themselves Powers and Advantages, which must have render'd the Government so weak and impotent, as to be unable, at any future time, to contend with them, however necessary it might be." Pitt Correspondence II, pp. 432–435.

[2] Loudoun to Pitt, February 14, 1758. "The Precedent, of one Province break-

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unfair one. It threw a relatively larger share of the burden on public-spirited colonies, whose activity was thus penalized, while at the same time a premium was placed on neglect of duty. It diminished the potential military strength of the colonies during the greatest crisis of their existence, forcing the mother country to make up, in part at least, the deficiency thus created. It also limited the extent of the operations themselves; for, had more troops been available, it is probable that Louisiana would have been conquered. From a military standpoint as well, the system was deficient. The successive commanders-in-chief wasted much time and energy in obtaining the colonial levies. In order to secure the needed support, they were repeatedly forced to interfere in the internal politics of the colonies, especially in Pennsylvania. Disputes as to the conditions and duration of service were frequent. It was never exactly known how many troops the colonies would provide, and occasionally their tardiness in arriving for service unduly delayed an expedition. In all these different ways military operations were hampered, and the efficiency of the army impaired. Thus, the experiences of the war served but to reinforce the conclusion reached already by many in 1755, that the defence of the colonies in time of peace could not with safety be left to them because of their lack of union, and also that they could not be relied upon as a whole to provide voluntarily for their due proportion of the necessary military establishment.

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ing off and not furnishing in Conjunction with the others, may have very bad Effects, as the Universal Plan in this Country is, to throw all Expences off themselves and lay it on the Mother Country; therefore the Danger is, others will follow the Example." Pitt Correspondence I, p. 187.

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THE ALIEN CONTRACT LABOR LAW.

THE effort to control by national legislation the vast and increasing stream of immigration into this country has assumed two forms. On the one hand there has been restrictive or selective legislation, intended to sift out from the mass of immigrants the more undesirable individuals and to return them to their native lands. Considerable progress has been made in the elaboration and in the enforcement of such legislation. On the other hand there has been prohibitive legislation, the object of which is to exclude certain foreigners who come to our shores under contract to work here. Perhaps this is not strictly immigration legislation; yet the debates in Congress and the public agitation that preceded the enactment of these laws clearly show that they were regarded as measures restricting immigration, and in their latest form they are part and parcel of our immigration statutes.

The development of this second body of laws and the construction placed upon them by the courts show how strongly rooted is the American spirit of liberality toward the immigrant.

The first Alien Contract Labor Law was passed February 26, 1885.[1] Of the economic and political causes that led to the enactment of this statute the courts have taken cognizance. In the first case decided under the act the court said:

> The motives and the history of the act are matters of common knowledge. It had become the practice for large capitalists in this country to contract with their agents abroad for the shipments of great numbers of an ignorant and servile class of foreign laborers, under contract by which the employer agreed, on the one hand, to prepay their passage, while, upon the other hand, the laborers agreed to work after their arrival at a certain rate of wages. The effect of this was to break down the labor market and to reduce the laborers engaged in like occupations to the level of the assisted immigrant. The evil finally became so flagrant that an appeal was made to Congress for relief by

[1] U. S. Statutes at Large, vol. 23, p. 332.

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the passage of the act in question, the design of which was to raise the standard of foreign immigration and to discountenance the migration of those who had not sufficient means in their own hands, or those of their friends, to pay their passage. While the act is undoubtedly a reversal of the traditional policy of the government, it does not purport to inhibit or discourage the importation of foreign laborers in general, but only the importation of such laborers under contract made previous to their migration or importation.[1]

In subsequent decisions[2] these facts have been restated; and in one instance the court touched upon the potent force that pushed the law through Congress:

The labor organizations of the country appealed to the political parties and to legislatures and to Congress for help by way of correction of the evils. They furnished proof, if proof were needed, that when a strike in this country occurred or one was threatened or impending, or when labor was in great demand, the large concerns with much capital behind them sent agents to Europe, and sometimes to Asia, for laborers to take the place of workmen. They were brought over under contract.

Many of them lived when here but little, if any, better than animals. . . . They lived together in large numbers, in small rooms. Many lived together regardless of sex, and often regardless of the marriage relations. They lived on nearly nothing, and that nearly nothing was often food of the most disgusting kind; and so living they only asked, and only received, wages on which an American could not live. They gave their children no education. They never intended to make this country their home, and yet tens of thousands of them went through the forms of naturalization. They debased and prostituted the rights of suffrage.[3]

These graphic descriptions by the judges clearly explain the feelings that gave rise to these laws.

The act of February 26, 1885, provided:

That . . . it shall be unlawful for any person, company, partnership or corporation in any manner whatsoever to prepay the transportation

[1] U. S. *v.* Craig, 28 Fed. Rep. 795.

[2] U. S. *v.* Gay, 95 Fed. Rep. 226; Church of the Holy Trinity *v.* U. S., 143 U. S. 457.

[3] U. S. *v.* Morrison, 109 Fed. Rep. 891.

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or in any way assist or encourage the importation or migration of any alien or aliens, any foreigner or foreigners, into the United States, its Territories, or the District of Columbia, under contract or agreement, parol or special, express or implied, made previous to the importation or migration of such alien or aliens, foreigner or foreigners, to perform labor or service of any kind in the United States, its Territories, or the District of Columbia.

A penalty of $1000 for each offense was imposed upon persons "knowingly assisting, encouraging or soliciting" such immigration.

Section 5 enumerated the exceptions:

Nor shall this act be so construed as to prevent any person or persons, partnership or corporation from engaging, under contract or agreement, skilled workmen in foreign countries to perform labor in the United States in or upon any new industry not at present established in the United States, provided that skilled labor for that purpose cannot be otherwise obtained; nor shall the provisions of this act apply to professional actors, artists, lecturers or singers, nor to persons employed strictly as personal or domestic servants; provided that nothing in this act shall be construed as prohibiting any individual from assisting any member of his family or any relative or personal friend to migrate from any foreign country to the United States for the purpose of settlement here.

Two years later it was enacted that ships should be examined, and that aliens under contract should not be landed but should be sent back.[1] In 1888 the secretary of the treasury was empowered to return immigrants landed contrary to law, within one year of their landing, at the expense of the owner of the vessel, or, if the immigrant entered from an adjoining country, at the expense of the persons contracting for his services. Of the fine collected in any case a share was given to the informer.[2]

In March, 1891, the previous laws were revised and reënacted.[3] It was made unlawful

to assist or encourage the importation or migration of any alien by

[1] U. S. Statutes at Large, vol. 24, p. 414.

[2] *Ibid.*, vol. 25, p. 5660. [3] *Ibid.*, vol. 26, p. 1084.

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promise of employment, through advertisements printed or published in any foreign city; and any alien coming to this country in consequence of such advertisement shall be treated as coming under contract, as contemplated by such act.

To the exceptions were added: "Ministers of any religious denomination, or persons belonging to any recognized profession," and also "professors for colleges and seminaries." In 1893 more stringent regulations were imposed upon masters of vessels.[1]

In 1903 the final and most complete revision of the act was made.[2] The prohibition reads:

That it shall be unlawful for any person, company, partnership or corporation, in any manner whatsoever to prepay the transportation or in any manner to assist or encourage the importation or immigration of any alien into the United States in pursuance of any offer, solicitation, promise or agreement, parole or special, express or implied, made previous to the importation of such alien, to perform service or labor of any kind, skilled or unskilled, in the United States.

Among the exceptions it was provided that

skilled labor may be imported if labor of like kind, unemployed, cannot be found in this country; and provided further, that the provisions of this law applicable to contract labor shall not be held to exclude professional actors, artists, lecturers, singers, ministers of any religious denomination, professors of colleges or seminaries, persons belonging to any recognized learned profession or persons employed as strictly personal or domestic servants.

These are the statutes. Their successive changes, as will be shown, have been dictated largely by the decisions of the courts.

II

The courts have affirmed the constitutionality of the law, under the power of Congress "to regulate commerce with foreign nations,"[3] but they have from the first interpreted its pro-

[1] U. S. Statutes at Large, vol. 27, p. 569.
[2] *Ibia.*, vol. 32, p. 1213.
[3] U. S. *v.* Craig, 28 Fed. Rep. 795.

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visions with great strictness. It was early held that "the statute is highly penal, and must be so construed as to bring within its condemnation only those who are shown by direct and positive averments to be embraced within the terms of the law."[1] Therefore, although the suit is of a civil nature, it yet has some of the characteristics of criminal procedure, and the pleadings are to be scrutinized closely and construed strictly. The courts accordingly compel the complainant to set forth fully, in his declaration, the terms of the contract, the character of the labor which was to be performed, and the facts that the alien actually came to the United States in pursuance of the contract and actually did the work contracted for. The complaint must also state definitely all the acts done by the defendant to assist in the immigration."[2] All the circumstances must be stated which are requisite to support the action. Nothing is to be left to inference or conjecture."[3] Even when the declarations were in the language of the statute, alleging that the defendant "assisted, encouraged and solicited" an alien to immigrate, it was held insufficient, because the definite acts must be set forth.[4]

While the courts have refused to include cases which were not within the letter of the law, they have excluded cases which, although within its letter, were not within its spirit.[5] The leading case in point is The Church of the Holy Trinity *v.* the United States.[6] Trinity Church in New York had extended a call to an English clergyman. He accepted the call and came to this country to assume his new duties. Action was commenced under the exclusion act; and the lower courts, with great reluctance, decided that the clergyman was here in violation of the law, since his case was not covered by the enumerated

[1] Lee *v.* U. S., 150 U. S. 476. *Cf.* U. S. *v.* Gay, 80 Fed. Rep. 259; and Moeller *v.* U. S., 57 Fed. Rep. 490.

[2] U. S. *v.* Gay, 80 Fed. Rep. 254, and 95 Fed. Rep. 228; U. S. *v.* Boneman, 41 Fed. Rep. 751; U. S. *v.* Craig, 28 Fed. Rep. 795; Moeller *v.* U. S., 57 Fed. Rep. 978; U. S. *v.* River Spring Co., 70 Fed. Rep. 978.

[3] U. S. *v.* Boneman, 41 Fed. Rep. 751.

[4] U. S. *v.* McElroy, 114 Fed. Rep. 254.

[5] Lee *v.* U. S., 150 U. S. 476.

[6] 143 U. S. 457.

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exceptions of the act of 1885. The supreme court promptly reversed this decision; and in an elaborate and comprehensive opinion Justice Brewer defined the policy which should control the interpretation of the law. He said that the letter of the law was in conflict with its spirit, and that the spirit should prevail. He discovered the spirit of the law in the intent of the legislature, in the title of the act and in "the evils which it is designed to remedy; and for this the court properly looks at contemporary events, the situation as it existed and as it was forced upon the attention of the legislative body." These evils resulted from the wholesale importation of cheap laborers "who would have never seen our shores but for the inducements and allurements of men whose only object it is to obtain labor at the lowest possible rate, regardless of the social and material well-being of our own citizens, and regardless of the evil consequences which result to American laborers from such immigration."

The purpose of the act being the protection of American labor, the courts have construed it to be indicative of a desire to maintain the American standard of living among the unskilled workers of our land.

III

The law seeks to protect skilled labor also against undesirable competition. It allows the importation of skilled labor only in case an industry new to the United States is to be established and such labor cannot be found in the United States. The law also makes exception in favor of professional people. It has been necessary to interpret these provisions, and in their interpretation the courts have again been guided by the spirit of the law.

In the first case which involved the construction of these provisions the court held that a milliner imported under contract was not a professional artist within the statute,[1] nor was a woman thus engaged performing labor upon a new industry.

In the next case it appeared that the defendants had made a contract with a Frenchman to come to the United States and

[1] U. S. *v.* Thompson, 41 Fed. Rep. 28.

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operate a machine for making "French silk stockings." Such stockings had not before been made in this country, although stockings were made here with "French feet" and the machinery for knitting them was in successful operation. The evidence disclosed that a skilled knitter had learned, in a short time, to operate a machine that made stockings with "French feet"; that the machine for making entire "French silk stockings" could be operated by a skilled mechanic after a few weeks' practice; that the defendants had advertised in the knitting centres of the United States for experts to run this machine but had failed to get a response; and that two of their own men had tried to run the machine and had failed. Their last resort was the importation of the French expert. Upon this state of facts the court held that "the manufacture of this peculiar sort of goods is to be considered as a new industry not then established within the meaning of the statute." But the court further held, on consideration of the whole evidence, that the defendants had not used such reasonable efforts to run their machines as would have disclosed the fact that they must resort to foreign workmen, "and that such reasonable effort would have enabled them to discover or to train workmen competent to do the desired work."[1] This decision accordingly goes to the length of requiring the employer to train his own workmen for a new industry, and seems thereby virtually to annul the statute itself. It has not been followed in the later decisions.

In the next case to come up for adjudication, an American firm had imported a "window-dresser" from England. While the declaration was held defective, the court nevertheless proceeded to discuss the distinction between "skilled labor" and unskilled labor.

> The habit of working with the hands is not by any means the criterion. All men work with their hands. But in some occupations, like that of working with a spade or shovel and wheelbarrow, or as a common hand in a saw-mill or in the lumber woods with a peavy or cross-cut saw, the value of the labor consists principally in the physical result accomplished. The surgeon also works with his hands, but the beneficial

[1] U. S. *v.* McCallan, 44 Fed. Rep. 745.

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results in his case come more from the skilled labor of the mind, guided by a large experience, in connection with that of his hand. A stenographer or typewriter works constantly with the hands, and yet the value of this work does not consist mainly in the manual labor done, and it would be a misuse of words to call him a laborer. . . . The occupation [of a window dresser] does not necessarily require any manual labor at all. . . . But it evidently requires experience with good taste and judgment. If such a person is not an artist, he should at least have intelligence with an artistic taste and judgment. . . . It was not this kind of service that Congress sought to shut out. . . . It would be absurd to suppose that Congress intended that persons employed in trade or in any business requiring intelligence or skill, or indeed any except those from the lowest social stratum engaged in unintelligent and uncultivated labor, should be sent back to the nation from whence they came. It has always been the policy of Congress, as well as of the states, to encourage immigration of the better and more intelligent class.[1]

It was after this decision that the amendments of 1891 were added to the law.

In the next case in which this question was considered, the court declared *obiter* that a ladies' kid-glove cutter was a skilled workman, and that the industry was a new one under the meaning of the act. These questions, it was held, were questions of fact for the jury.[2]

After the amendment of 1891 a chemist was admitted because he belonged to a "recognized profession." "Chemistry," the court said, "is a science, the knowledge of which is acquired only after patient study and application, and one who has mastered it must certainly be regarded as one engaged in the practice of a profession which is generally recognized in this country."

The courts, then, insist upon interpreting the exclusion to operate without exception only upon unskilled, cheap, manual labor. It applies to skilled labor only when the same can be secured in the United States, and it does not apply at all to professional or technical labor.

[1] U. S. *v.* Gay, 95 Fed. Rep. 226.

[2] U. S. *v.* Morrison, 109 Fed. Rep. 891.

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IV

A further question, involving the efficiency of the law as a regulator of immigration, pertains to the character of the contract under which the alien comes to these shores. Here also the courts exact terms of which the meaning is clear and comprehensive.

A contract will not be inferred simply because the circumstances indicate an understanding between the parties. For example: an alien, in England, wrote to a person in the United States, saying that he had heard that the addressee was in want of smelters, and that, if passes were sent him, he and a fellow-workman would come over as soon as possible, adding, "we have both worked in the spelter works for many years." This letter was handed to a third party in America, and he replied: "I have this day bought two tickets for you . . . and all you have to do is to take this letter to the railroad company and get your tickets. . . . We can give you steady work and have places for about six or eight more smelters if they want to come. . . Tickets will not be good after July 18." These letters were all the evidence of the agreement. The court held that there was no contract. The statutes

> must be held to mean a complete contract: that is to say, an agreement entered into for a sufficient consideration to perform some kind of labor or services, to the terms of which the parties have mutually assented. If an implied contract is counted upon, a state of facts must be alleged from which a court or jury might lawfully draw the inference, as a matter of fact, that the alien had agreed to perform labor or service of some kind, and that some other person had agreed to accept such services.

Mere prepayment of transportation would not constitute a contract.[1] The circuit court of appeals sustained the lower court in this decision.[2]

In another case it was held that neither the prepayment of transportation, nor other assistance or encouragement given to the importation of aliens, is a violation of the law, without a

[1] U. S. *v.* Edgar, 45 Fed. Rep. 44. [2] U. S. *v.* Edgar, 48 Fed. Rep. 91.

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contract or agreement, made previous to the importation, binding the alien to perform labor in the United States.[1]

In United States *v.* Gay the following facts were shown. An advertisement appeared in an English newspaper: "Drapers wanted for a large house abroad. Apply to Mr. ——, Central Station Hotel, after seven o'clock Thursday evening." On calling at the hotel the applicant was told that Mr. —— represented a New York firm and was looking for drapers. He was willing to pay $12 to $14 a week. If the applicant would come to the United States he would agree to pay him $14 a week for services as draper or clerk, and would refund his passage money as soon as he began work. The court held that these facts alone did not constitute a contract.[2] In passing upon the technical points of the pleadings, it is uniformly insisted that the terms of the contract, at least in substance, be set forth.[3]

Thus the courts demand a definite agreement, or a state of facts disclosing such a definite agreement, in order to bring imported labor under the operation of the statute. Mere encouraging or soliciting is not enough.

V

Finally, the courts have been obliged to pass upon the question: What is an alien immigrant? They have said: "An alien immigrant to the United States is an alien who comes or removes into the United States for the purpose of permanent residence."[4]

The legislation contained in the various statutes that have been passed relating to immigration is clearly directed against the immigration into this country of certain classes of persons who come in with the intent to enter into or become a part of the mass of its citizenship or population. Immigration is defined to be the entering into a country with the intention of residing in it. The early statutes merely prohibited contract labor being brought in; the later ones prohibit the bringing

[1] Moeller *v.* U. S., 57 Fed. Rep. 490. [2] U. S. *v.* Gay, 95 Fed. Rep. 226.

[3] U. S. *v.* Gay, 80 Fed. Rep. 254; U. S. *v.* Craig, 28 Fed. Rep. 795; Moeller *v.* U. S., 57 Fed. Rep. 490; U. S. *v.* McElroy, 115 Fed. Rep. 252.

[4] U. S. *v.* Sandrey, 48 Fed. Rep. 550.

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in of immigrants . . . who are calculated to become a charge upon the country or who are unfit . . . to be admitted as citizens.[1]

This decision was rendered in 1900, and it classifies contract laborers with other undesirable classes of immigrants enumerated in the immigration laws. Under this ruling, the court held that a Mexican, who had been involuntarily brought to San Francisco under duress of the captain and who there went ashore and refused to return to the ship, was not an immigrant who had entered the United States under contract, and that the master could not be held for violation of the act.

The larger number of cases dealing with this question relate to immigrants who return to their native land and later come back to the United States. Their intention, and the circumstances which led to their leaving this country, largely control the courts in their decisions.

Thus an Italian immigrant, who, after living here some years, went on a visit to Italy, intending to return to the United States, was held not to be an immigrant on his second arrival on our shores.[2] So when an immigrant had declared his intention of becoming a citizen and had returned to his native land to bring over his wife and family, he was held not to be an immigrant on his return, although his absence had extended over two years. "The acts refer to aliens who are imported into or who migrate to this country, not to persons already resident here who temporarily depart and return."[3] An Italian who had sold out his property in Italy, and had come to the United States with the intention of making this country his permanent home, became sick after a two years' residence here and was advised by his physician to go back to Italy for his health. He went, soon grew better, and on his return to the United States he was detained as an alien immigrant. The courts released him on the ground that he was an "alien resident" of the United States.[4] In a case tried before the district judge for the Northern district

[1] U. S. *v.* Burke, 99 Fed. Rep. 899.

[2] *In re* Panzora, 51 Fed. Rep. 275.

[3] *In re* Martovelli, 63 Fed. Rep. 437.

[4] *In re* Maiola, 67 Fed. Rep. 114. See also *In re* Ota, 96 Fed. Rep. 487, and U. S. *v.* Burke, 99 Fed. Rep. 895.

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of Ohio in 1906, it was held that a person who had come to the United States from Germany in 1887, had remained here continuously until 1903, had then removed to Canada and had reentered the United States from Canada under contract to labor here, was not an alien immigrant within the meaning of the law, even though the man had never declared his intention of becoming a citizen or a permanent resident of the United States and had gone to Canada with no fixed purpose in his mind of returning to the United States. The court said that the man was an alien immigrant in 1887 when he first arrived on our shores from Germany. The circuit court of appeals sustained this judgment.[1]

Thus it is apparent that the courts are very reluctant so to construe the law that it will unduly trespass upon the traditional American policy that extends a welcome to all. The courts are frank in stating that their attitude is based upon the theory that the law seeks to protect American labor and to maintain "the American standard of living."

SAMUEL P. ORTH.

CLEVELAND, OHIO.

[1] This case is not yet reported.

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THE VARIABILITY OF WAGES

IN the treatment of the theory of wages economists have proceeded, along substantially the same lines since the beginning of the science. The common method of approaching the problem, theoretically, is to assume a standard of unskilled labor in terms of which all higher grades of labor are expressed, and to establish, deductively, propositions concerning the conditions and direction of change of the standard wage. These propositions are then, explicitly or implicitly, predicated, *a fortiori*, of skilled labor. In treating the problem statistically the common method has been to form an index number, and to infer from changes in the index number corresponding changes in the average wage. The conclusions of both groups of investigators have generally, in recent years, been optimistic: the theorist teaches that the laborer tends to get what he produces, and the statistician professes to show a progressive increase in average wages. But even if these conclusions were unquestioned, we should commit a grave error in supposing that, as economists, we have contributed the necessary material upon which to base a wise labor policy. Other equally important, indeed more important, questions press for solution. What answer, based upon actual data, can the economist give to these questions: Does skilled labor hold its own in the shifting proportions of grades of labor in the various industries? Are the chances of promotion within an industry increasing or decreasing? Is the status of the laborer confined within more narrow or less narrow limits? Until these questions are answered we shall, for the most part, form our judgments as to contemporary movements according to our inclinations as determined by the social group in which our opinions have been shaped. The present paper is diffidently offered as an attempt to throw some light on the facts that must be used either as the test of our theories or as a basis for the form of speculation that is proximate to reality.

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I

The chief directions of progress in the development of theoretical economics have been characterized by the recognition of the truth that the solution of the leading problems of the pure science turns upon the consideration of marginal ratios rather than of absolute quantities. The first crude machinery for the handling of the ratios that concern the economist was elaborated in the treatment of the theory of rent, and was perfected in its successive application to the remaining fundamental questions of the science by von Thünen, Cournot, Dupuit and recent deductive economists. It is believed that, when groups of measurements must be dealt with, the parallel in inductive economics is furnished by the consideration of forms of deviation from the average of the measurements rather than of the average itself alone. The introduction into social sciences of the use of this method we owe primarily to Quételet and to Cournot, and its development to Mr. Galton, Professor Edgeworth, and, above all, to Professor Pearson. In the complete treatment of our science both of these methods must be used. Problems which, because of their complexity, must be left untouched by those relying solely upon deduction may be amenable to investigation by the peculiar form of induction just described. The following study is an attempt to supply by the latter method material to fill out a lacuna due to the limitations of the former.

If the wages of a large number of representative laborers in manufactures could be ascertained, and a curve were plotted representing the functional relation between the respective rates of wages and the number of laborers receiving them, the graph, drawn in the usual way—measuring wages on a horizontal line and the corresponding number receiving them on a line drawn perpendicular to the first,—would begin to rise near the axis of ordinates, would ascend rapidly with a series of zigzags to a maximum point, and then, likewise with a series of zigzags, would descend more slowly than it rose and taper off so as to become nearly parallel with the axis of abscissas (see chart, p. 71). As the form of this curve drawn for the totality of labor varies with the progress of time, a comparison of curves

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plotted for two periods would obviously afford a more comprehensive view of the conditions of earnings and of the status of labor than the usual comparison of average wages. Similarly, when descending to the analysis and comparison of the conditions of wage-earning in different industries, curves could be drawn for the different industries at the same time, and for the same industries at different times, and then properly compared.

The comparison of these curves involves at least two measures: we must find a rate of wages that is representative of the group, and we must have some measure of the concentration of the individual rates of wages about the representative value. The common average wage is used to serve the first function. Its value is affected by the value of every item in the group, and, consequently, carries with it more information than other intermediate quantities. The standard deviation, which is the square root of the mean square of the deviation of the individual rates of wages from the average rate, is taken as the measure of the concentration of the group about the average. In making this choice of the second measure, I am guided by the experience of statistical biologists who, in their studies of evolution, find the variation in the standard deviation the most significant measure of the variation of the group concentration. According to the theory of evolution by natural selection,

> the more intense the struggle for existence the less is the variability, the more nearly are individuals forced to approach the type fittest to their surrounding if they are to survive. . . . The standard deviation is in fact a scientific measure of the concentration of the variation of the population about its average or mean.[1]

Professor Pearson has developed another point immediately connected with our present investigation: ". . . the one sure test of intensity of the struggle for existence is the mortality table rightly studied," and "the mortality of the artisan classes is greater than that of the middle and upper classes. We find, accordingly, that they are less variable."[2] It is, therefore, of greatest importance to know the changing conditions of the

[1] Pearson, Chances of Death, vol. i, pp. 258 and 274.

[2] *Ibid.*, p. 258 and note.

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struggle for existence as indicated in the variation of the standard deviation of wages. If a comparison of the wages of an industry at two different periods showed that the average wage remained the same, the theoretical economist, relying upon average wages alone for information, would have no clue as to the forces at work altering the condition of labor. If, however, in the interval, the standard deviation had become greatly reduced, skilled labor might have been supplanted by machinery, or perhaps by women and children, and competition among the laborers might have become far more acute. It would at least be true that the chances of greatly increased wages to the average laborer would be decidedly reduced, and that the probability of a uniformity of wages and of permanency of status of the laborer would be increased.

In addition to the two fundamental measures just described, we shall have occasion to use a third, the coefficient of variation, or the measure of relative variability. Suppose we had to investigate the relative variability of wages in the two industries, boots and shoes, and tobacco. In 1900 the two fundamental measures for boots and shoes were average weekly wage $11.56 and standard deviation $4.75; and for tobacco, average weekly wage $6.37, standard deviation $3.49. It would clearly be inaccurate to say that the relative variability of wages in the two groups was in the ratio of their standard deviations. The degree of variability is the measure of trueness to type, and a variation of $4.75 from $11.56 is relatively a smaller departure than $3.49 from $6.37. The coefficient of variation is the percentage variation, or the ratio of the standard deviation to the average, multiplied by one hundred. We shall use these measures in the treatment of the data from the admirable report of the Twelfth Census on "Wages in Manufactures."

II

By the use of the measures just described we shall determine, first, whether there has actually been a general change in the wages of laborers in manufactures, and secondly, what the nature of the change has been. The government report is an exceptionally satisfactory document so far as relates to the several

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industries, but it presents no general view of the trend of wages in manufactures. It supplies, however, for the first time, trustworthy material that may be used for such an investigation.

In the second of the four chapters of the report an "Analysis of Occupational Comparison" is made by considering the wages of laborers in thirty-two industries. Copies of actual pay-rolls of establishments representative of the several industries were obtained for 1890 and 1900—due precaution being taken that the figures for the two periods should be comparable—and were then combined into general schedules of wages for the respective industries for the two years. By means of these schedules it is now possible to say what proportion of labor of each of the thirty-two industries covered by the report received wages between any given limits in 1890 and in 1900: for example, what proportion of labor in the manufacture of cotton received wages at the rate of nine to ten dollars a week.

In order to form an idea of the trend of wages in manufactures from 1890 to 1900, I have combined the schedules of the different industries in the same way that the schedules of the individual establishments were combined by the census office to give a general view of the wages of separate industries. The figures taken for these industries are those given in the "Wages" volume, in the case of each industry, under the heading: "Males 16 years and over: Rates per week: All sections: All occupations." It was believed that an investigation confined to this category would be most representative of the general condition of labor.

The thirty industries selected include all schedules fulfilling the above conditions. The two industries omitted from the full number given by the census volume are "collars and cuffs," and "distilleries." The former is not included because no schedule is given for males sixteen years and over, and the latter is omitted because the few figures tabulated relate only to the states of Kentucky and Ohio.

The thirty industries are: (1) carpet mills, (2) cotton mills, (3) dyeing and finishing textiles, (4) knitting mills, (5) woolen mills, (6) agricultural implements, (7) furniture, (8) lumber and planing mills, (9) pianos, (10) wagons and carriages,

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(11) car and railroad shops, (12) foundries and metal working, (13) iron and steel, (14) shipyards, (15) bakeries, (16) breweries, (17) candy, (18) chemicals, (19) cigars, (20) clothing, (21) flour mills, (22) glass, (23) paper mills, (24) potteries, (25) printing, (26) rubber, (27) shoes, (28) slaughtering, (29) tanneries, (30) tobacco.[1] These representative industries may be classified in four divisions: textiles, which include the first five industries; wood-working industries, which comprise industries (6) to (10); metal-working industries, (11) to (14); miscellaneous industries, (15) to (30).

The results of the combination of the thirty schedules is recorded in Table I. It will be noted that the inquiry concerns the wages of 160,055 laborers in 1900, and of 104,923 laborers in 1890. The computation of the three fundamental measures of the two groups of wages gives the values here tabulated:

	AVERAGE WEEKLY RATE	RATIO	STANDARD DEVIATION	RATIO	COEFFICIENT OF VARIATION	RATIO
1900	11.52	.996	5.017	.945	43.5	.948
1890	11.57		5.309		45.9	

This table justifies the following statements as to the changed condition of rates of money wages in the two groups of laborers selected by the census office to represent manufactures in 1890 and 1900.

(1) The average wage was less in 1900 than in 1890.

[1] The schedules may be found on the following pages of the Wages volume: (1) carpet mills, p. 5; (2) cotton mills, p. 27; (3) dyeing and finishing textiles, p. 72; (4) knitting mills, p. 81; (5) woolen mills, p. 104; (6) agricultural implements, p. 143; (7) furniture, p. 169; (8) lumber and planing mills, p. 185; (9) pianos, p. 185; (10) wagons and carriages, p. 201; (11) car and railroad shops, p. 225; (12) foundries and metal-working, p. 268; (13) iron and steel mills, p. 325; (14) shipyards, p. 353; (15) bakeries, p. 371; (16) breweries, p. 379; (17) candy, p. 391; (18) chemicals, p. 403; (19) cigars, p. 411; (20) clothing, p. 431; (21) flour mills, p. 461 (includes males under 16); (22) glass, p. 474; (23) paper mills, p. 497; (24) potteries, p. 510; (25) printing, p. 527; (26) rubber, p. 549; (27) shoes, p. 558; (28) slaughtering, p. 580; (29) tanneries, p. 591; (30) tobacco, p. 608.

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TABLE I: THE DISTRIBUTION OF WAGES IN MANUFACTURES OF THE UNITED STATES AS REPRESENTED BY THIRTY SELECTED INDUSTRIES

1900			1890		
RATES PER WEEK	NUMBER	PERCENTAGE	RATES PER WEEK	NUMBER	PERCENTAGE
Between $2 & 3	591	.37	Between $2 & 3	444	.42
" 3 " 4	2,646	1.66	" 3 " 4	2,329	2.22
" 4 " 5	4,331	2.71	" 4 " 5	3,723	3.55
" 5 " 6	3,880	2.43	" 5 " 6	2,735	2.61
" 6 " 7	7,926	4.95	" 6 " 7	6,435	6.13
" 7 " 8	15,727	9.83	" 7 " 8	9,529	9.10
" 8 " 9	13,233	8.27	" 8 " 9	8,184	7.80
" 9 " 10	23,686	14.80	" 9 " 10	12,372	11.79
" 10 " 11	18,029	11.26	" 10 " 11	14,545	13.87
" 11 " 12	7,346	4.57	" 11 " 12	4,205	4.00
" 12 " 13	15,412	9.63	" 12 " 13	8,957	8.53
" 13 " 14	9,945	6.22	" 13 " 14	6,117	5.83
" 14 " 15	6,046	3.77	" 14 " 15	3,170	3.02
" 15 " 16	9,223	5.76	" 15 " 16	5,889	5.61
" 16 " 17	5,468	3.42	" 16 " 17	3,431	3.27
" 17 " 18	2,607	1.63	" 17 " 18	1,508	1.44
" 18 " 19	4,466	2.79	" 18 " 19	3,321	3.17
" 19 " 20	1,620	1.01	" 19 " 20	1,273	1.21
" 20 " 21	1,029	.64	" 20 " 21	989	.94
" 21 " 22	1,290	.81	" 21 " 22	1,261	1.21
" 22 " 23	773	.49	" 22 " 23	553	.53
" 23 " 24	571	.36	" 23 " 24	507	.48
" 24 " 25	764	.48	" 24 " 25	603	.57
" 25 " 26	520	.33	" 25 " 26	443	.42
" 26 " 27	224	.14	" 26 " 27	192	.18
" 27 " 28	362	.23	" 27 " 28	353	.34
" 28 " 29	300	.19	" 28 " 29	348	.33
" 29 " 30	175	.10	" 29 " 30	222	.21
" 30 " 31	359	.22	" 30 " 31	307	.30
" 31 " 32	107	.07	" 31 " 32	113	.11
" 32 " 33	131	.08	" 32 " 33	120	.11
" 33 " 34	103	.06	" 33 " 34	110	.11
" 34 " 35	104	.06	" 34 " 35	118	.11
" 35 " 36	73	.05	" 35 " 36	75	.07
" 36 " 37	51	.03	" 36 " 37	53	.05
" 37 " 38	115	.07	" 37 " 38	35	.03
" 38 " 39	195	.12	" 38 " 39	52	.05
" 39 " 40	198	.12	" 39 " 40	35	.03
" 40 " 41	53	.03	" 40 " 41	35	.03
" 41 " 42	41	.03	" 41 " 42	16	.02
" 42 " 43	36	.02	" 42 " 43	13	.01
" 43 " 44	25	.02	" 43 " 44	8	.01
" 44 " 45	23	.01	" 44 " 45	8	.01
" 45 " 46	20	.01	" 45 " 46	12	.01
" 46 " 47	12	.01	" 46 " 47	14	.01
" 47 " 48	16	.01	" 47 " 48	15	.01
" 48 " 49	23	.01	" 48 " 49	22	.02
" 49 " 50	12	.01	" 49 " 50	9	.01
" 50 " over.	168	.11	" 50 " over.	115	.11
Totals	160,055	100	Totals	104,923	100

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(2) The standard deviation was less. There was consequently a closer aggregation of labor about the average in 1900, and that average was lower than the average of 1890.

(3) The coefficient of variation was less.

These results are so utterly at variance with what is commonly thought as to the movement of wages that a source of error in the computation was suspected. To shorten the fatiguing arithmetical work which the proposed investigation involved, the wage quotations were, in the first computation, thrown into groups varying by one dollar instead of by fifty cents as given in the census report. In order to eliminate any possible source of error the calculation was made a second time, taking the figures in fifty-cent groups as they appear in the report. The result was an average wage in 1900 of $11.49 and in 1890 of $11.54. Their ratio is .996, the same as the ratio obtained before. This seems to show that no mistake was made in the calculation.

This average is based on all the figures of the thirty industries falling within the limits, two dollars a week to fifty dollars a week. It is impossible to include the quotations below two dollars and above fifty dollars, because no indication is given of their distribution beyond these limits. The omission in both years is less than one-fifth of one per cent of the total number of quotations.

The above results are not put forward as the measures of the wages of the totality of labor in manufactures, but only as measures of the very large groups of wages officially reported as representing the conditions in manufactures. They have the advantage of being independent of any form of weighting and of any theory of index numbers. All three measures are relative to real data.

The question whether the average wage as obtained above is representative of the whole of manufactures could be answered, if the statistical material were available, by computing an average wage in either of two ways: (1) The average wage of the several occupations of the separate industries could be computed from the Wages report, and each occupation accorded an importance proportionate to the number of males, sixteen years

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and over, in the occupation. The weighted average thus obtained for each of the two years would be entirely satisfactory. (2) The average for each of the separate industries could be computed from the Wages report, and each industry accorded an importance proportionate to the number of males, sixteen years and over, in the industry. This weighted average would be sufficiently representative. But neither of these methods is practicable because of the lack of comparable data for the two periods.[1]

III

It is extremely important to know whether the reduction in variability of wages both absolute and relative which occurred between 1890 and 1900 was due to an increase in the wages of laborers receiving a rate below the average or to a decrease in the relative number receiving wages of skilled labor or to both changes. To settle this question, the absolute distribution of the wages of the two periods, as given in Table I, columns II and V, was reduced to a percentage distribution, which is given in the same Table, columns III and VI. This relative distribution makes possible the comparison of the distribution of the two periods, group for group. The two curves in the chart (p. 71) are drawn to the scale of the percentages, the broken line representing the distribution of 1890, the continuous line the distribution of 1900. The curve for 1900 begins below the curve for 1890, and continues in a lower position until within a short distance of the maximum ordinate; after passing the maximum ordinate at a relatively high point, it descends below the curve for 1890 at a rate of wages not far above the average rate, and thereafter runs almost continuously at a lower level. The obvious interpretation of these facts is that the reduction in variability in 1900 was due to a relative reduction in the number of laborers receiving a wage far below the average, and a similar reduction in the number receiving a wage far above the average.

The curves also show very clearly the aggregation of the wage earners at definite weekly rates, *e. g.*, in 1900 at $7–8,

[1] Note the warning in volume vii of the Twelfth Census, pp. ciii–cxi.

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$9–10, $12–13, $15–16, $18–19, $21–22, $24–25, $27–28, $30–31. These weekly rates are equivalent to daily rates of $1.25, $1.50, $2.00, $2.50, $3.00, $3.50, $4.00, $4.50, $5.00. It is interesting to note that these maximum points are the same for the curve for 1890 except that the *maximum maximorum* of 1900 is a weekly rate of $10–11 or a daily rate of $1.75, while in 1900 it was a weekly rate of $9–10 or a daily rate of $1.50. Assuming that the distribution of efficiency in the two groups of laborers was a continuous distribution, the law of reward according to efficiency would require that the wages curve should approximate a continuous curve. The actual concentration of the laborers in both years, at widely separated peaks, instead of being continuously distributed, suggests either the fallacy of assuming a continuous distribution of efficiency, or a defect in the efficiency theory of wages, or the incompleteness of competition.

IV

Thus far our inquiry has concerned all of the laborers employed in manufactures as represented by the 160,055 laborers in 1900 and the 104,923 in 1890. It is conceivable that the results obtained might be due to the preponderating influence of one or more industries whose wage budgets represented anomalous conditions. Under these circumstances it would be fallacious to say that there is a tendency to a general reduction in the variability of wages in manufactures.

In order to meet this quite natural objection the standard deviations and the coefficients of variation of the thirty industries have been separately computed, and are tabulated in Table II.[1] In the columns headed "Quality of change from 1890 to 1900" the signs of the variations are given respectively for average wages (column VIII), standard deviations (column IX), and coefficients of variation (column X). Out of thirty industries

[1] The schedules used are those indicated in a former note, except that in the case of the rubber industry the schedule for the Middle and Central states was taken. All of the figures above two dollars a week were used, except that in case of the iron and steel industry, and in that of the printing industry the unsatisfactory distribution beyond fifty dollars a week made it necessary to confine the computation to rates between two dollars a week and fifty dollars a week.

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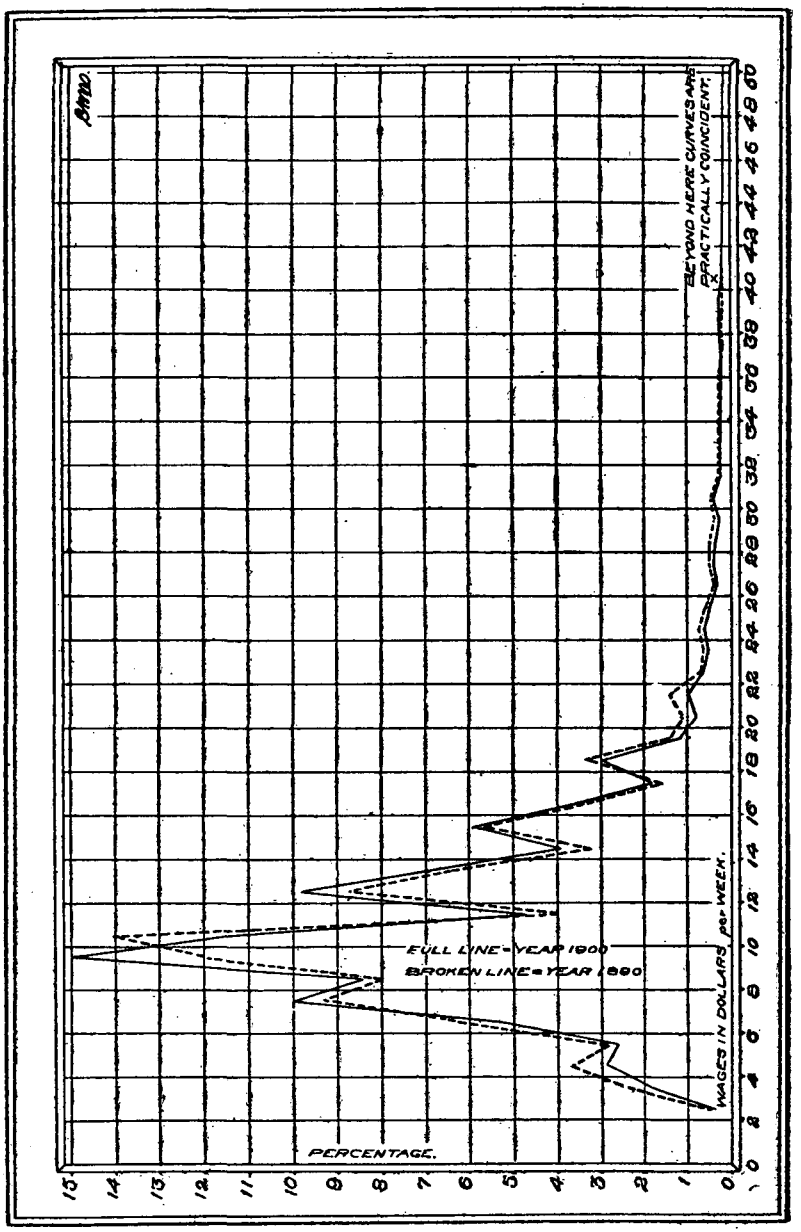
BEYOND HERE CURVES ARE PRACTICALLY COINCIDENT.
FULL LINE = YEAR 1900
BROKEN LINE = YEAR 1890
WAGES IN DOLLARS per WEEK.
PERCENTAGE.

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TABLE II: CHANGES IN THE VARIABILITY

INDUSTRIES	WEEKLY RATE OF WAGES II		RATIO III	STANDARD DEVIATION IV		RATIO V
	1900	1890		1900	1890	
Agricultural implements	10.96	11.07	.99	3.237	4.259	.760
Candy	8.85	9.16	.966	4.690	4.998	.938
Carpets and rugs	10.17	10.20	.997	4.465	4.523	.987
Car and railroad shops	11.74	12.51	.938	3.939	4.609	.855
Cigars	12.33	12.37	.997	5.481	6.012	.912
Flour mills	12.76	13.32	.958	4.020	5.021	.801
Foundries	11.55	11.57	.998	4.619	4.825	.957
Tanneries	9.67	10.09	.958	3.040	3.187	.954
Slaughtering	11.14	11.15	.999	3.283	3.427	.960
Bakeries	11.80	11.56	1.021	4.416	4.459	.990
Boots and shoes	11.56	11.49	1.001	4.751	5.085	.816
Breweries	14.11	13.80	1.022	4.168	4.553	.915
Chemicals	10.66	10.62	1.004	3.332	3.498	.953
Cotton goods	8.23	8.16	1.008	3.939	4.111	.958
Dyeing and finishing textiles	9.26	9.23	1.003	5.193	5.450	.953
Iron and steel	12.61	12.49	1.010	6.563	6.632	.990
Lumber and planing mills	10.61	10.52	1.008	3.726	3.870	.963
Pianos	11.27	10.75	1.048	5.254	5.842	.899
Potteries	13.82	13.42	1.030	6.525	6.599	.989
Shipyards	12.74	12.63	1.008	4.362	4.833	.902
Wagons and carriages	11.35	10.77	.854	5.539	5.589	.991
Clothing	11.57	13.00	.890	6.856	6.911	.992
Furniture	9.98	10.68	.934	4.367	4.568	.956
Printing	15.97	16.98	.940	7.549	7.761	.953
Woolen goods	9.46	9.05	1.045	4.417	4.326	1.021
Glass	12.57	12.41	1.013	7.879	7.203	1.094
Knitting mills	10.02	9.40	1.066	5.272	4.870	1.082
Rubber	9.06	8.85	1.024	3.077	2.844	1.082
Tobacco	6.37	6.30	1.011	3.493	3.088	1.131
Paper and wood pulp	10.44	10.65	.980	3.477	3.266	1.065

twenty-four have a diminished standard deviation and twenty-two a diminished coefficient of variation. We may observe that this particular case illustrates the truth of the statement made in the earlier part of this paper, that vital changes in the conditions of labor may occur without any indication of the changes appearing in the average wage.

In an article on the "Paradoxes of Competition"[1] I tried to show the great danger to economic theory as well as to practical interests of the common tendency of projecting conclusions that

[1] *Quarterly Journal of Economics*, February, 1906.

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OF WAGES IN THIRTY SELECTED INDUSTRIES

COEFFICIENT OF VARIATION		RATIO	QUALITY OF CHANGE FROM 1890–1900		
VI		VII	VIII	IX	X
1900	1890		*See* III	*See* V	*See* VII
29.5	38.5	.77	—	—	—
53.0	54.6	.97	—	—	—
43.9	44.3	.99	—	—	—
36.6	36.9	.99	—	—	—
44.4	48.6	.91	—	—	—
31.5	37.7	.84	—	—	—
40.0	41.7	.96	—	—	—
31.4	31.6	.99	—	—	—
29.5	30.7	.96	—	—	—
37.4	38.6	.97	+	—	—
41.1	44.2	.93	+	—	—
29.5	32.9	.90	+	—	—
31.3	32.9	.95	+	—	—
47.9	50.4	.95	+	—	—
56.1	59.0	.95	+	—	—
52.1	53.1	.98	+	—	—
35.1	36.8	.95	+	—	—
46.6	54.3	.86	+	—	—
47.2	49.2	.96	+	—	—
34.2	38.3	.89	+	—	—
48.8	51.9	.94	+	—	—
59.3	53.2	1.11	—	—	+
43.8	42.8	1.02	—	—	+
47.3	45.7	1.03	—	—	+
46.6	47.8	.98	+	+	—
62.6	58.0	1.08	+	+	+
52.6	51.8	1.02	+	+	+
34.0	32.1	1.06	+	+	+
54.8	49.0	1.12	+	+	+
33.3	30.7	1.08	—	+	+

are relative to a hypothetical state into the complex and theoretically unexplored territory of actual industry. It was there stated that the danger is especially great in the treatment of the theory of wages. The above investigation suggests a warning to be equally on guard against the common fallacy of inferring from an average or an index number of wages conclusions as to the general condition of labor.

HENRY L. MOORE.

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THE MONEY INFLATION AND THE FUTURE OF PRICES

DURING the past ten years the country has experienced a relative expansion of the money volume which exceeds even the paper-money inflation of the civil war period, is closely on a par with the gold expansion of the California era and is exceeded only by the wild-cat bank inflation of the '30's. Industrial phenomena equally striking have attended this unusual monetary experience, and their relation to it becomes of large importance, not more in what may be contributed to monetary theory than in what may be learned regarding the probable future of prices and business.

I

The contest for sound money in 1896 turned primarily upon the question of rising or falling commodity prices, as likely to be affected by the restoration of silver and as affecting the various industrial classes. It is a curious fact that, while the familiar quantity theory of money then encountered sharper criticism and more positive denial than ever before, both parties nevertheless planted themselves upon its general truth to sustain their opposing appeals to the people. The silver party avowedly stood for a régime of rising prices which should lighten the burden of debt and stimulate the activity of the producing classes, and it assumed that an increase in the volume of money through the restoration of silver would bring about these results. To the gold party this was but a program for dollar depreciation and debt repudiation. But how could this be if increasing money volume were not necessarily to have any effect upon prices? How was the cheap silver dollar to manifest its cheapness save through rising prices? Possibly thousands of voters, and those not all confined to the lower orders of intelligence, saw in the sixteen-to-one proposal a scheme to substitute a coin of reduced size for the full-weight dollar familiar to the public; but those of better understanding who yet sounded the 50-cent

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dollar alarm were clearly accepting in practice what they repudiated in theory, since only through general price movements growing out of monetary changes could the unlimited silver dollar by any possibility show depreciation or the gold dollar stability and honesty. Thus, by the very force of the terms "stable" and "honest," the gold champions were made to stand for a régime of prices generally stable except as they might be affected by causes apart from the money volume or the cost of producing money. And by the same token they admitted the efficacy of the plan of the silver party to bring about its contrary design of falling money value and rising prices.

It is a fact worth recalling that the gold-standard advocates were then agreed with the silverites in not anticipating any considerable change in the output of the yellow metal. As many geologists were then to be found of the belief that the day of rich new gold discoveries had passed, as are now predicting an indefinitely continued enlargement of gold production. The gold men were therefore perfectly willing to rest their case upon the assumption that gold production would fluctuate within narrow bounds, as for some years previously. They maintained nevertheless that this would not mean depreciation in the money value of commodities, since an advancing civilization, employing extended credit devices and money substitutes, demanded a smaller and smaller volume of money, relatively speaking; and that in any case a falling tendency in prices advantaged more of the industrial population—the wage-earners and salaried fixed-income classes—than it injured. Moreover, it was demonstrated with great acumen that a uniformly appreciating currency (falling prices) would be better for all classes—the producing and entrepreneur as well as the capitalist and wage-earning classes—than a fluctuating currency depreciation (rising prices).

How events have since confounded the theories of the one party, the methods of the other, and the expectations of both, all the world knows. There can be no question whatsoever that under the gold standard precisely those results have come to pass which the silver party calculated to bring about through a deliberately applied scheme of depreciation, and which the

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gold party branded as undesirable and confiscatory in any case and dishonest when achieved designedly.

We have first the fact of the great increase in monetary circulation for the ten years from January 1, 1897:

	TOTAL MONEY IN CIRCULATION	GOLD AND GOLD CERTIFICATES	BANK NOTES
1907	$2,883,900,328	$1,273,018,763	$585,056,585
1897	1,650,223,400	555,630,668	221,384,148
10-year increase . . .	$1,233,676,928	$717,388,095	$363,672,437

Assuming for the moment that so extraordinary an increase of the circulating medium, amounting to almost eighty per cent for the decade, must result in a marked rise of prices and consequent depreciation of the value of the dollar in relation to all other purchasable things, it is to be observed that the major part of the increase grows out of an unexpected expansion of foreign and domestic gold production. This so far acquits us of a deliberate purpose to depreciate the dollar and scale down the commodity value of debts; though it becomes a nice question in casuistry how far a stable-dollar or "honest-dollar" advocate can rejoice over such a result, as the whole business community of the country has rejoiced, without incurring some of the moral taint with which those were charged who deliberately designed a similar result. But the great expansion in the bank-note volume did not come about unwittingly. That was designed with care by the act of March, 1900, liberalizing the conditions of issue, and for the purpose of helping along further that inflation and price advance which had followed upon the remarkable inpour of gold. There is no difference in moral purpose between the sixteen-to-one advocates of 1896 and the authors of the bank-note law of 1900.

What would have followed the opening of the mints after 1896 to silver at the sixteen-to-one ratio no one can certainly say, nor does it now matter. It may be decidedly questioned, however, whether so great an expansion of the money volume would have followed as has followed under a gold régime —assuming that new gold production had met the then common expectation and continued without marked increase, as previous

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to 1896. At first there would have been sharp monetary contraction and financial disaster; but as the situation cleared, foreign silver would have come in to displace the undervalued gold circulation, and the current product of the American silver mines would have poured into the mints as a net addition to the circulating medium. The total production of those mines in the ten years has been, in coining value, about $725,000,000, or little more than the actual addition to the money volume from gold alone. Any production in excess of that, under the stimulus of the new monetary demand, might be assigned to consumption in the arts, for which no allowance is made above. Hence it may be said that the silver movement of ten years ago contemplated a much smaller money inflation than has followed under gold and bank-note expansion.

What has been assumed regarding the price effects of the monetary expansion is easily demonstrated from any table of averages or index numbers—the Dun table being here taken, since it is quite as comprehensive as any, and is weighted according to the relative importance of commodities in popular consumption. This number stood at $75.502 on January 1, 1897, falling to $72.455 on July 1 of the same year, the lowest point in the whole period covered by the record. On January 1, 1907, the number stood at $107.264—showing an increase of 42 per cent for the ten years and 48 per cent in the nine and a half years. Thus against an increase of some 80 per cent in the money volume for a decade, we have an increase in average commodity prices of 42 per cent; but if the money volume be reduced to a per capita basis we should, by the government calculations, have an expansion from $22.87 per capita in 1897 to $33.78 in 1907—an increase of about 48 per cent, coinciding with an increase of 42 per cent in prices.

And why not place the matter on a per capita basis? It is the fashion of a certain school in monetary thought to ridicule any per capita consideration of the subject. But the quantity theory is not confined merely to the supply of money in relation to prices; it contemplates also the possibilities of variation in the demand for money; and of course an increase of population cannot be ignored in considering the money demand in relation

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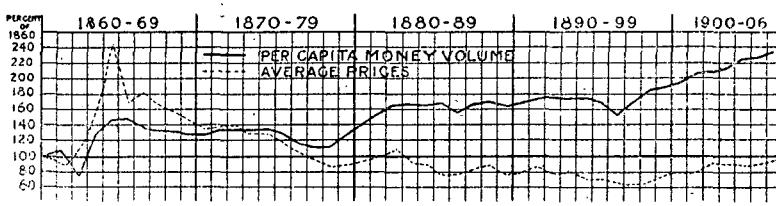
to supply. Different peoples indeed will differ widely in the uses and needs of money. Their varying habits, industrial character and development of credit systems of effecting exchanges—all are to be taken into consideration. But it would be absurd to contend that a large increase of population in any one country and among people of similar customs, such as has taken place in the United States since 1896, has not of itself greatly increased the demand for money.

Upon a per capita basis there is thus a remarkably close equation between the relative price advance and money-volume expansion. No single and brief experience like this is of course sufficient to establish the truth of the quantity theory; yet it is important to know something of the general soundness of this doctrine if any judgment is to be formed respecting the probable future course of prices. The index number here used has been extended back to 1860, and for this period also we have fairly accurate government statistics of the money volume in relation to population. Let us then place in graphic form the two movements, that of prices and that of per capita money volume, over a period of nearly half a century—a period peculiarly subject to great variations in monetary supply. The figures are reduced to percentages of those of 1860.



Professor J. Laurence Laughlin, using another index number, has published in his *Principles of Money* a similar representation, brought down to 1900, and he remarks that "it will be seen that even the per capita circulation bears no relation whatever to the movement of prices" (p. 328). Such an assertion does not compel others to see with Professor Laughlin's eyes, and to the present writer it seems obvious that a general cor-

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respondence exists in the direction of the price and money lines represented above. The failure of the price line to hug closely that of per capita money volume does not impeach the general truth of the quantity theory; for, as has already been observed, the theory comprehends the factor of money demand as well as money supply, and an increasing supply sufficient to admit an upward turn in prices will by that very fact operate to stimulate speculative enterprise and industrial activity, or, in other words, will inflate the volume of business to be financed. And this is just what is observable for the past ten years. Prices have moved in the same general direction as money volume but not to an equal degree. They have been held back in relation to the absolute increase in money volume by increased demand resulting from the growth of population; they have been held back in relation to per capita increase in money volume by the extraordinary stimulus given to business activity by rising prices. And they have further been held back by the continued progress of invention and the greater efficiency obtained for labor in application to machinery. Yet all these restraints have been unequal to the task of preventing general prices from responding with noteworthy closeness to the expanding money volume. Of course the volume of money is not the all-controlling factor of price movements; but must we not conclude that it is the greatest controlling factor?

II

We may then with some little confidence, which would otherwise be lacking, forecast the immediate future of prices. There is no present reason for anticipating a marked contraction in the yearly output of gold. The South African production increases month by month, and nowhere else in the world's gold fields is there serious threat of mine exhaustion. Yet even should production continue moderately to increase, the monetary or price effects cannot be as violent as those of the past decade's production. This is obvious from the fact that the future outpour of gold will flow into a reservoir of accumulated monetary stocks far greater than existed at the outset of the period under notice. The estimated gold monetary stocks of

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the world ten years ago aggregated some $4,200,000,000. The estimated gold production of the ten years amounts to no less than $2,920,000,000. Some $80,000,000 a year would be regarded by experts as a very liberal allowance for consumption of gold in the arts; a decade ago it was estimated to be less than $60,000,000. Making this deduction, we should have some $2,120,000,000 as the amount added to the world's gold monetary stock in the ten years, which is 50 per cent of the stock at the outset of the period. An equal monetary production for the next ten years would constitute only about 33 per cent of the prior existing stock, instead of 50 per cent; and against a larger gross production are to be placed the yearly increasing amounts withdrawn for employment in the arts, and possible extension of the gold standard in the Orient.

Therefore, under the seemingly well-established relation between money volume and prices, we are to anticipate a much more moderate upward tendency in the money value of commodities during the time just ahead than has been experienced in the immediate past. The assurance is at least held out that the present high level of prices will be well maintained—subject, however, to sharp temporary recessions growing out of a possible breakdown of business confidence from panic, which may come at any time and is traditionally due before the expiration of the next ten years. No state or quality of the money volume can prevent this; and rapidly increasing volume, through its price effects, is highly productive of those conditions of inflation and over-extension of credit which bring panic and severe reaction.

To concede this is not to admit, as is frequently maintained, any impairment of the soundness of the quantity theory of prices. Within certain limits credit has an elastic quality all its own, but its volume otherwise and mainly follows that of money. By reason of confidence credit may expand, say to six times the money volume, and affect prices in so doing; and from loss of confidence it may contract to three times the money volume and affect prices the other way. To this extent credit is an element in shaping price movements; and for this reason it is possible to have marked declines in the price line

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and periods of business depression under an expanding volume of money of general and unquestioned recognition such as gold enjoys. But it is rather for aberrations from the main line of movement in average prices that credit is responsible, and not for the general direction of that line. To say that credit is comparable with the money volume in affecting prices is to forget that the credit superstructure must always maintain dimensions in pretty close proportion to its money base.

The moderated effects of extraordinary gold production upon prices, which may reasonably be anticipated for the immediate future, must have a material modifying influence upon the consequences of inflation as affecting the various industrial classes. Who have most profited from a régime of rising prices and who have lost, is a question to which recent experience returns no uncertain answer. What the gold advocates of 1896 said of the wage-earning and salaried classes has been demonstrated to be generally correct. There has been gain in greater certainty and steadiness of employment, but wages as a rule have been far from keeping pace with wholesale prices; and the effort made by the Bureau of Labor to find an approximate compensation for the rise of retail prices in the wage increase among certain classes of labor, most highly organized and aggressive, cannot be accepted as representative of the general labor experience. On the other hand, the producing classes, including the farmers and manufacturers, have undoubtedly benefited from the increased margin of profit growing out of rising prices, and the consequent lightening of the burden of debt; and this is in harmony with the position taken by the silver advocates in 1896. But the greatest rewards of price inflation and dollar depreciation have not gone to those producing classes on whose behalf monetary expansion was urged ten years ago. They have gone rather to the speculator, the promoter and the industrial undertaker, who have fairly rioted in the immense profits lying between a fixed return for borrowed capital and advancing prices for the product. In the capitalization and realization of these possibilities great individual fortunes have been made in astonishing number, and never in all the history of the republic has the apparent massing of wealth in few hands

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proceeded with greater rapidity or on a more striking scale than during this period of monetary inflation. Hence it is that popular discontent manifests itself in the midst of an industrial activity and prosperity passing all previous bounds.

And just here is the most important of the lessons conveyed by this extraordinary monetary experience. Undue currency expansion was presented in 1896, as it had been in times previous, as a corrective of tendencies toward the concentration of wealth. But the present demonstration of its impotency for such a purpose is too conclusive to be missed by any one. We are still far from having reached an ideal, or even a reasonably stable, money system; but something has been done to rid the problem of the mischievous popular notion that in the cheapening of the dollar lies some measure of industrial salvation for the masses of the people.

ERNEST HOWARD.

SPRINGFIELD, MASSACHUSETTS.

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PRIVATE BANKING IN GERMANY AND THE CAUSES OF ITS CONCENTRATION[1]

SCARCELY any other development of modern German life has stood out so prominently, or has given such frequent occasion for admiring comment and also for sceptical head-shaking, as the great process of consolidation which has worked itself out in a few years in our banking business. This development is not, indeed, so peculiar and so novel as is generally believed. It is only one of many similar phenomena. Everywhere in modern economic life an effort towards greatness of scale is visible. To such an extent is this the case, that our whole age has been defined as that of capitalistic enterprise or business on a large scale. In the German banking business, however, the tendencies towards large-scale organization, which operate in almost every department, have manifested themselves with a strength almost unparalleled elsewhere. For this there are, of course, particular causes; but these, again, are not new. The same shaping forces that made themselves felt in the original development of the banking business are active also in its recent and strikingly rapid consolidation. The causes of concentration which are peculiar to the banking system lie in the extraordinary growth of credit wants.

Three stages may be distinguished in this development. The first transformation in the European banking system was caused by the development of public finance. Public credit needs grew immensely when the state abandoned feudal methods, established a standing army and organized a salaried civil service. In close connection with this change arose the first modern financial powers, from the Medici and the Fuggers to the Rothschilds. Later, when steam power made railways possible and gave a

[1] Address delivered before the New York Chapter of the American Institute of Bank Clerks, January 10, 1907. *Cf.* Hermann Schumacher, Die Ursachen und Wirkungen der Konzentration im deutschen Bankwesen, in Schmoller's *Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft*, 1906, pp. 883–925.

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powerful stimulus to mining, to the iron industry and to the manufacture of machinery, there arose new financial needs to an extent hitherto unknown; this time predominantly in private economic life. The older private banks had neither the resources in capital nor the courage in enterprise that were requisite to meet these demands. New and greater organizations were thus again required, and modern joint-stock banks were founded. In Germany these made their appearance in the middle of the nineteenth century. Finally, the epoch-making process of the systematic extension of industrial concerns on a large scale, which we are experiencing today in almost every department, has for the third time increased in an extraordinary degree the demand for credit, in general and in particular; and these recent changes have again necessitated the reorganization of our banking system.

These recent demands for extensive credit, increasing on almost every side, have brought with them many difficulties for the banks previously existing. Sometimes it has been no easy matter for a bank to raise, alone and unaided, the means demanded by a single client whose business was in rapid development. Moreover, it is always risky for a bank to tie up a considerable part of its resources in a single undertaking. If the undertaking does not prove successful, particularly if losses are incurred, the participation of the bank easily grows into a permanent financial partnership. Not only is it often impossible to call in the loans ventured, but sometimes they must be still further increased, in order to avoid, so far as possible, severe and perhaps ruinous losses. What was intended to be a loose and transitory connection thus tends to become a permanent fetter. The working capital of the bank is removed in increasing measure from other and more profitable employment; and it may easily happen that the business initiative is transferred from the bank to the struggling industrial concern which the bank has undertaken to finance.

Our greater as well as our smaller banks have entered more or less involuntarily into such permanent connections. Great banks have, as a rule, been able to sustain such partial crippling. Only one of them, the Leipziger, was ruined in this way; possess-

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ing a working capital of 48,000,000 marks, it had undertaken engagements in one industrial enterprise (*Trebertrockengesellschaft*) to the extent of more than 93,000,000 marks; but what occurred in this case on a large scale, and served as a warning example, has often been repeated on a small scale. Many respected private firms have been similarly wrecked on this rock of a very great one-sided risk and the financial and administrative dependence arising therefrom.

It is therefore natural that efforts should develop in the banking system to diminish the serious risks which are incurred in the attempt to meet the rapidly growing demands for credit. The effort to minimize risk is the special force which has caused concerns on a large scale to develop with exceptional rapidity in our young German banking system. Just as concentration is especially facilitated in the iron and steel industry by the possibility of technical economies (through the utilization of the gases and the heat produced in the smelting furnace), so, in the case of the banks, concentration is accelerated by the resultant diminution of risk. And in banking the movement towards consolidation meets with especially slight resistance, since large-scale business can be introduced far more easily and quickly in the banking system, working as it does almost without tools, than in the iron industry, which requires an exceedingly complicated and expensive plant. Especially important, therefore, for the comprehension of the newest development in our banking system, is the answer to the question: How can the risk, growing almost inevitably and assuming immense proportions, be diminished for each individual bank? This is possible in three different ways: a risk may be transferred, or it may be divided, or it may be balanced by compensating risks. All three methods of diminishing risk require careful consideration from the point of view of their influence in promoting large-scale organization.

I

For a clear view of the situation, it must be borne in mind that total transfer of risk is possible only in exceptional cases, although certainly in cases of especial importance. Experience

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has shown that the almost unnoticed growth of an originally small risk is more dangerous than the acceptance, once and for all, of a great but limited risk. The gradual accumulation of loans to a client in current account has more frequently proved fatal in Germany than a single great loan at a considerable risk. It is therefore important to be able to transfer the risk which grows up in current-account business. This is possible only by transforming the debt on a customer's current account into securities or new stock. In proportion as the bank then disposes of these, it transfers the risk from itself to the purchasers, *i. e.*, to the public.

Such a transformation of credit on current account into "issue credit" is, however, not always possible for a single bank; or at least it is not always advisable. It is not every bank that carries on, together with the so-called "regular" banking business, *i. e.*, the business of receiving deposits, of maintaining current accounts, of issuing banknotes, of discounting bills of exchange, *etc.*, the long-period business also of issuing shares, bonds and securities of all kinds—a business which is governed by quite distinct principles of its own. If, however, a bank cannot individually undertake this transformation, but must betake itself for the execution of the business of issuing scrip to another greater bank, the danger arises that with the transfer of this single operation the customer in question will be altogether lost.

This consideration ceases to apply if the bank itself can transform into "issue credit" an overdraft that has grown too heavy. The effort to diminish risk thus necessarily develops an effort towards the combination of different banking functions, which otherwise are by no means generally associated with each other, and which in England, for example, are regularly kept separate.

Nor is this effort toward combination limited to current-account and issue business. The greater the clientèle of a bank, the more easily can it dispose of large amounts of securities and stock. Whoever carries on issue business must therefore attempt to gain as extended a regular clientèle as is possible. The most important means to this end, in addition to

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current-account business, is pure deposit business. Customers attracted by deposit business can be used to extraordinary advantage for the placing of newly issued securities; for when the public wishes to invest money accumulated in small amounts, it naturally turns trustfully, first of all, to the banks to which it has confided its savings. As, in the great combined ironworks, the driving power of the gases and the heat from the smelting furnace are used also for other branches of production—for the steel process and for the rolling mill—so, in the banking business, the vital force of which springs from credit, the confidence gained by one line of business is used also for others.

In both cases combination brings with it still further advantages. It is the organic union of different branches of production into one single enterprise that first makes possible a complete survey of the whole, and through it the best application of capital and the best form of management. Similarly the complete survey of a client's credit relations, so exceedingly important for a bank, can be gained only when all the banking business of the client is concentrated in the hands of a single bank. If this demand be not made and its fulfilment strictly enforced, every heavy debt of a customer becomes at once a serious risk for the bank. If, however, the bank's business relations with its customers are developed as far as possible in every direction, the risks which it assumes can be measured with considerable accuracy. From customers who desire heavy overdrafts our banks regularly require such concentration of all banking business; and it is one of the less satisfactory phenomena of our banking administration that exceptions to this rule are made in favor of some of our most remarkable, but also most restless, captains of industry.

A second advantage of concentration is the greater freedom of action which is derived from greater capital resources. The fixed capital of rolling mills is small in comparison with that of smelting furnaces or of steel works. Similarly, comparatively small resources are needed for "regular" banking business, as this consists above all in current-account and deposit business—a point most clearly illustrated by the pure deposit banks of England. On the other hand, great issue business—the busi-

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ness of issuing shares and securities of all kinds—cannot be carried on without very considerable capital. The comparison holds also in the consequence. It is not particularly difficult for an iron and steel concern to add to its original processes those of a rolling mill; it is still easier for a bank which carries on a large issue business to develop a current-account and deposit business. The reverse process is infinitely harder; that is to say, it is infinitely more difficult for a rolling mill to develop iron and steel production, or for a "regular" bank to undertake great loan operations. In the latter case as in the former, the extension of undertakings combining both functions already denotes elimination of concerns weak in capital. An advantage very similar to that which the great combined concerns in the iron industry display over the so-called "pure" rolling mills (which have to buy the steel and iron necessary for their manufacture) is possessed by the great firms which pursue every kind of banking activity, in comparison with those small though often very serviceable firms which confine themselves to the "regular" banking business.

Concentration and the superior power which it establishes accordingly diminish competition. A large modern combined iron concern is said to require a capital of about thirty million marks. A great bank, engaging in every department of banking business, operates with tens of millions. No one lightly stakes such sums in a hazardous struggle. In proportion, however, as the rise of new rival undertakings becomes improbable, overtures for mutual understanding and amalgamation become easier. In the great industries this conclusion has already been confirmed by experience. The question whether a similar development is to be looked for in the banking business is one that forces itself upon our notice; but this is a question which I cannot now attempt to answer. For the present I content myself with establishing the fact that the effort to unload great and threatening risks produces a tendency towards combination of various banking functions, and thereby works as a very potent factor toward the establishment of large-scale concerns in the banking world.

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II

Complete transfer of risk is possible only in exceptional cases. In the ordinary course of business, limitation of risk must be accepted as the utmost that is attainable, and such limitation is possible both by balancing and by dividing risks.

Adequate offsets against a single great risk are possible only if a bank has great resources at its disposal. The greater the financial power of bearing and resisting, the more readily can a heavy undivided risk be assumed, because it can more easily be balanced. Efforts to increase the financial strength of the bank must therefore accompany the growth of the single risk, unless the bank either modestly renounces the acceptance of the risk, or frivolously assumes it without satisfactory offsets.

The financial strength of a bank can most easily be increased by adding to its own capital; *i. e.*, by increasing its share capital and reserve funds (*Reservefonds*). It is therefore comprehensible that during the decade 1895–1904 our great banks moved rapidly in this direction. Even before 1895 they had made considerable increases. In 1870–72 the share capital of the six leading joint-stock banks of the present day amounted to 112,800,000 marks; in 1895 it had been raised to 413,000,000 marks. These increases in share capital, however, were spread over a quarter of a century; and, moreover, it was then a question of making up for ground lost before the founding of the German Empire. On the other hand, since about 1895, we have witnessed an astonishingly sudden and energetic forward movement: in the brief span of a single decade our six chief banks raised their share capital by almost 500,000,000 marks.

At the beginning of this decade the Darmstädter Bank, which in many respects was the first great modern bank in Germany, stood at the summit of our banking system; but in the course of the ensuing financial race the lead was taken by two Berlin banks—the Diskontogesellschaft and the Deutsche Bank. Between 1895 and 1904, the Diskontogesellschaft raised its share capital from 75,000,000 to 170,000,000 marks—95,000,000 marks in ten years. And since 1897, the lead has been taken by the Deutsche Bank. This bank has recently raised its stock

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capital to 200,000,000 marks; and while it shows a lead here of 30,000,000 marks, its reserve funds, amounting in round figures to 80,000,000 marks, also exceed those of any other bank by at least 20,000,000 marks.

Every one of our six greatest banks has at the present day a share capital of at least 100,000,000 marks. The share capital of each of the five leading banks exceeds the total share capital possessed by all six at the beginning of the new German Empire. Together they have at their disposal over 909,000,000 marks of share capital and 258,000,000 marks of reserves. Their own resources thus figure out, roundly, at 1,167,000,000 marks; *i. e.*, they are almost ten times as great as immediately after the Franco-German War.

It belongs, however, to the essential character of a bank that it works not only with its own resources but with external resources also; and it follows that the need for increased financial strength must intensify the effort to attract external resources in the greatest possible measure. The German banks have been able to increase their financial strength in this way even more than by raising their own share capital. The increase in external capital has been estimated for the ten great Berlin banks, during the twenty years from 1883 to 1903, at 555.5 per cent, as against a corresponding increase of 309.8 per cent in their own capital.

External capital can be attracted in many ways—by all the kinds of business included under the term "passive" banking functions. Very important in amount are passive current-account business and the acceptance of bills of exchange. For our six chief banks, these obligations have reached together the height of 2,478,000,000 marks. Still, in spite of these high figures, we find that the chief means of increasing capital through the attraction of external resources is by the issue of banknotes and the receipt of deposits.

In these matters the Imperial Bank of Germany (*Reichsbank*) has seriously limited the field of activity open to the joint-stock banks; for to supplement its own capital, which alone would be entirely insufficient for its important tasks, it follows above all two lines of business. The extent to which it draws to itself

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external resources through the issue of banknotes may be seen from the fact that, taking the average of the years 1896–1900, the total note circulation of the Reichsbank amounted to 1,115,000,000 marks; and even its note circulation not covered by specie amounted to fully half as much again as its total capital and reserve funds. Of similar importance for the Reichsbank is its so-called "*giro* business." The sums accumulated in connection with this business have amounted, taking the average of the same five years, to 320,000,000 marks.

Thanks to its superior position, supported on the one side by the bank legislation, on the other by its magnificent network of branch establishments, the Reichsbank has almost monopolized both the issue of banknotes and the *giro* banking business; and so our great joint-stock banks were compelled to place their chief reliance, for the attraction of external funds, upon business in interest-bearing deposits. This field the Reichsbank had practically abandoned in 1879. At the beginning, however, the development of the deposit business was slow. The great banks particularly, which cultivate the long-period issue business with especial preference, seemed at first to hesitate to develop strongly this short-period passive business. Not until 1902 did the A. Schaaffhausenscher Bankverein, which is especially closely associated with our large-scale industries, begin to cultivate vigorously business in interest-bearing deposits.

Here also the development has taken place almost wholly within the last ten years, and here again the Deutsche Bank has outstripped its rivals. At the end of 1905 it held 341,000,000 marks of interest-bearing deposits, and was the only great bank able to show deposits amounting to more than its own capital. At this time the six chief banks together possessed 912,000,000 marks of deposits, *i. e.*, almost exactly as much as the total of their share capitals. The deposits in all German credit banks at the end of 1904 together amounted to 1,566,000,000 marks.

The systematic cultivation of the deposit business, which in the case of our great banks began at so late a period, gave additional impetus to the consolidation movement in the banking world. If in deposit business it is desired to attract the money wealth at the disposal of private persons, steps must be

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taken to meet the public in external arrangements. Intending depositors cannot be expected to waste time in long trips. To collect savings from a larger area, the bank's activities must be locally extended through the establishment of branches. It is especially worth while to open a branch office wherever there is a dense population capable of saving, as in the residential quarters of great towns. It is no longer sufficient that the principal office be situated in the heart of a commercial centre; deposit offices must be skilfully planted throughout the whole of the town. Thus the cultivation of deposit business tends to produce local expansion.

If, however, the deposit business is developed in this way, the accumulation of external resources calls in Germany for an increase in the bank's own resources; for our great joint-stock banks cannot attempt, like the deposit banks in England, to secure their depositors by extreme caution, generally choosing short-period investments with slight risks and carefully balancing their active and their passive business, according to the old principles of "regular" banking. Our joint-stock banks, engaged as they are in operations infinitely more multifarious and cultivating above all the business of long-period loans, do not indeed lose sight of the necessity of maintaining some degree of balance between their obligations and their assets, but they cannot hamper their action to the extent which the conservative English principles require. The security of the depositors in our great banks therefore rests in no slight measure on the bank's own capital. It would be going too far to say that the balancing of "active" and "passive" business, customary or at least attempted in England, must be replaced with us by a balancing of bank capital and deposits; but it is a fact that the accumulation of external resources does not in any way make possible a reduction of the bank's own capital, and may, on the contrary, enforce an increase of the share capital. It is no mere coincidence that the Deutsche Bank, which has cultivated deposit business twice as assiduously as any other bank, has also left all others far behind in the increase of its share capital and reserve funds.

The greater the resources of a bank—its own resources and

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those placed at its disposal by the public—the more easily can offsets be provided against a heavy one-sided risk. Risks are balanced by dividing the total credits given by the bank in such a way that the capacity of the debtors to pay is dependent upon extremely various and in part mutually exclusive economic conditions. Preponderant dependence on closely associated economic interests must be avoided, *i. e.*, dependence either upon locally related concerns or upon single branches of industry. Accordingly, the effort to balance risks must lead to an expansion of banking activity both geographically and in the kinds of business cultivated.

These two kinds of extension to which recourse is had for the purpose of dividing and thus diminishing total risk may assume various forms. The simplest form of local extension, which often involves at the same time an extension to new kinds of business, is the establishment of new branches. This, however, is dependent on a series of presuppositions. First of all, only powerful and firmly established banks, possessing a well-trained staff and recognized traditions, can call into existence a far-spreading network of branches. Moreover, a uniform field of action, free from sectional divisions, must be at hand.

In France and England both were found. In those countries, consequently, banking business has expanded chiefly by the establishment of new branch offices. In England there were counted, in 1901, twenty-one banks possessing more than one hundred branches each. At the beginning of 1905, the London City and Midland Bank alone had 447 branches. Similarly in France. The three chief private banking concerns in that country—the Crédit Lyonnais, the Comptoir National d'Escompte and the Société Générale—together possessed at the end of 1903 no fewer than 683 branch offices, some of which, it is true, bore the character only of agencies.

In Germany also early efforts were made to follow this path. Here again the Darmstädter Bank was to the fore. But apart from the fact that this bank was still too young for a wide-reaching activity through branches, the execution of the plan was rendered impossible by the political condition of Germany, divided as it was into small states. Each of the governments,

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on grounds easy to understand, preferred banks having their central offices within the state, and were disinclined to admit branches of outside institutions. The Darmstädter Bank met with invincible resistance to the branches it planned.

These initial difficulties forced us to strike out upon another path. Banking activity can be extended, it is clear, not only by founding new branches, but also by establishing in some form or other a more or less stable connection between existing local banks and a greater institution. Not only was this a path of less resistance, but this plan had the further advantage, that it did not create fresh competition, as every foundation of a new branch does—an advantage all the weightier in Germany because, before the foundation of the Empire, German economic life appeared unripe for extended banking activities.

Whether now the system of new branches or that of closer or looser association with banks already existing be chosen, both methods of extending banking operations make it possible to avoid the constant danger of dependence either on single localities or on single branches of industry and trade.

The foundation of the Empire was of course followed by the effort to utilize in the banking world the opportunities created by political unity. This effort found expression in a movement toward Berlin. The new capital of the Empire, centralizing political life and attaching to itself an ever-growing population, was bound to exercise a force of attraction in financial affairs. It quickly rose to be the most important exchange centre of Germany, leaving Frankfurt-on-the-Main far behind. For these reasons, as early as the year of the foundation of the Empire, the Darmstädter Bank transformed its Berlin agency into a branch office. If the two other great provincial banks—the A. Schaaffhausenscher Bankverein and the Dresdener Bank—did not immediately follow this example, the explanation lies solely in the fact that, situated as they were in the midst of our two chief industrial districts, they found in their immediate vicinity tasks so important as to engross all their energies. It was not until 1881 that the Dresdener Bank opened its Berlin branch, followed after another decade by the third great provincial bank, the A. Schaaffhausenscher Bankverein, which was

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most closely connected with our most flourishing industrial district. In addition to these, some of our most important intermediate banks had also gained a footing in Berlin, and some smaller banks had obtained an interest in Berlin banking houses or had acquired representation there through an agency.

The fact that the provincial banks began more and more to transfer their chief activity to Berlin forced the Berlin banks to execute a countermove, if they desired to preserve their old position in the economic life of Germany. First they must endeavor to hinder the other provincial banks from extending their activities to Berlin and creating new competition in that centre. This could be done by associating the provincial banks with themselves. Secondly, and most important of all, the Berlin banks themselves had to get into close touch with the province, especially with the great industrial districts. This aim also could be accomplished most easily and most effectively by inviting the coöperation of the greater provincial concerns. The Deutsche Bank was the first to take this step. In 1897 it entered into close association on the one hand with the Bergisch-Märkische Bank in Elberfeld, which had a share capital of 60,000,000 marks, and on the other hand with the Schlesischer Bankverein in Breslau and the Hannoversche Bank in Hanover, with share capitals amounting respectively to 30,000,000 marks and 22,500,000 marks; and since that time it has systematically and indefatigably followed the path thus energetically opened. At the present time it is extending its activities in all quarters, and especially in all industrial districts of Germany.

The Diskontogesellschaft hesitated longer at the outset but ultimately followed the same policy with equal energy and achieved no less success. In spite of its amalgamation, as early as 1895, with the Norddeutsche Bank in Hamburg, which possessed a share capital of 50,000,000 marks, it was only in 1902 that it entered into a closer community of interests with the Rheinische Diskontogesellschaft (share capital 60,000,000 marks); in 1904 with the Barmer Bankverein (share capital 49,000,000 marks); in 1905 with the the Allgemeine Deutsche Kreditanstalt in Leipzig (share capital 78,000,000 marks), and with the Süddeutsche Diskontogesellschaft (share capital 20,-

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000,000 marks). In addition, it practically came in for the inheritance of the Frankfurt firm of Rothschild. Thus the Diskontogesellschaft also has totally abandoned its local character, and today embraces the whole area of German commercial life.

The third of the great Berlin banks—the Berliner Handelsgesellschaft—did not follow the example of its two chief rivals. It had grown into too intimate union with the immense industrial interests surrounding it. Just as the A. Schaaffhausenscher Bankverein was bound up with the iron and steel industries of Rhenish Westphalia and the Dresdener Bank with the manifold industries of Saxony, so similarly the Berliner Handelsgesellschaft was bound up especially with an industry no less flourishing than the iron trade—the electrical industry. This seems to have had as its consequence, in the Berlin concern as in the two great provincial banks, a very considerable limitation of power. The Berliner Handelsgesellschaft has to a noticeable degree held itself aloof from the general movement towards concentration, neither founding branches nor establishing relations of association. It stands apart—almost, as has been said, as if awaiting a suitor.

The policy of the Deutsche Bank and the Diskontogesellschaft rather than that of the Berliner Handelsgesellschaft has been followed to a considerable degree by the Darmstädter Bank. As the first great provincial bank which had taken up business in Berlin, it felt severely the steadily growing competition in that central field. It had not previously come, through its situation, into very close connection with any of our leading industrial interests; it had deliberately to bring itself into touch with the rapidly rising industry. It did this especially in 1902, by entering through share allotment into "community of interests" (*Interessengemeinschaft*) with the Breslau Diskontobank (share capital, 25,000,000 marks). Since that time the Darmstädter Bank has taken an important place in Silesia, as previously in South and West Germany and in Berlin; although it cannot be said of it, as of the Diskontogesellschaft and the Deutsche Bank, that its activities cover all Germany.

The energetic and successful forward movement of the two strongest Berlin banks, especially of the enterprising Deutsche

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Bank, struck a heavy blow against the two great banks which hitherto had concentrated their powers upon the two most considerable industrial districts of Germany. The Dresdener Bank and the A. Schaaffhausenscher Bankverein, like the Berliner Handelsgesellschaft, though not to the same extent, had abstained from serious efforts to expand the area of their activities; and since each had up to this time concentrated its energies on the industrial interests immediately surrounding it, they had entered but little into competition one with the other. If they wished to follow the example of the Deutsche Bank and the Diskontogesellschaft, and if, in order the more easily to balance risks, they desired to extend their activity to every part of the German commercial system, they had no better course than to enter into a mutual agreement. They were driven into this course by pressure proceeding from Berlin, especially by severe and aggressive competition on the part of the Deutsche Bank. The "community of interests" (*Interessengemeinschaft*) of the Dresdener Bank and the A. Schaaffhausenscher Bankverein, in 1903, was the first instance in which two of our great banks entered into an alliance. Both banks have built further upon the foundation thus boldly laid, absorbing quite a number of banks in various parts of the Empire. The Dresdener Bank declared, in its report for 1905, that it had "perfected in all essentials its business organization for Germany."

The geographical expansion of banking activity over the whole industrial field of Germany not only diminishes dependence on local circumstances but also dependence on single branches of industry, for German industry shows strong local concentration in its various branches.

In many instances it is impossible to say whether the original motive for expansion was the desire to diminish local dependence or to escape from dependence upon a single industry. Often, however, the second standpoint comes clearly to the fore. The great Berlin banks, in their efforts to extend into the provinces, strove at the same time to get into touch, through the Bergisch-Märkische Bank and Essener Kreditanstalt, with the great industries of the Ruhr district; through the Schlesischer Bankverein, with those of Silesia; through the Han-

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noversche Bank, with the phosphate manufacture; through the branches established in Saxony, with the textile and foodstuff industries of that kingdom; through the Rheinische Kreditbank, with the trade of the Upper Rhine. In like manner, the chief industrial banks seek connection on the one hand with retail business, on the other with foreign trade. Relations with the small industries and with retail trade can be established with the help of the coöperative banks or of the banking firms which have grown out of coöperative associations. The Dresdener Bank has thus attempted to create a counterpoise to its great interests in the large industries of Saxony by absorbing the coöperative bank of Sörgel, Parisius and Co. Similarly the A. Schaaffhausenscher Bankverein has taken up a permanent interest in the Pfälzische Bank, which grew out of a coöperative association and still possesses, in the many small places where it maintains branch offices, a clientèle drawn especially from the middle class.

In the extension of the relations of our great banks to foreign trade, the conditions were different. In part, this extension has been a natural consequence of the preceding development. The more the chief customer of our great banks—*industry*—gained export interests, the more certain were these interests to direct the attention of our banks to the trade beyond our frontiers and to stimulate efforts on the part of the banks to make a position for themselves in international exchange business; and the more whole branches of industry united into great organizations, in a way before undreamed of, the stronger became the impulse to balance risks not on German soil only, but also under the dissimilar conditions of foreign countries.

A preliminary step towards this international activity was taken when our great banks extended their operations to the two most important German seaports. Immediately after its foundation, branches were established in Bremen (1871) and in Hamburg (1872) by the Deutsche Bank, which from the very outset was intended above all to be an instrument for the advancement of the German spirit of enterprise beyond the national boundaries. Two full decades passed before a second of our six great banks followed. In 1892, however, the Dres-

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dener Bank opened a sub-office in Hamburg, and three years later it absorbed the Bremer Bank, converting it into a branch establishment. Third and last, the Diskontogesellschaft amalgamated in 1895 with the powerful Norddeutsche Bank in Hamburg, and in 1903 it opened a branch in Bremen also.

The movement of these great banks into the principal commercial seaports of Germany was, however, only a preliminary step. Moreover, this step remained of slight importance as long as we were completely dependent on England for sea-transport and in sea-trade. It was of more consequence to gain a footing at the centre of the world's commerce. Only from London could a position be created in the international money market. If freedom from the economic superiority of England was to be gained in international money exchange, it had to be made possible for foreign exporters to draw their bills on a German bank in London instead of on an English bank.

The first task was therefore to extend German banking business in London. German bankers had already played a part there for a long time. The two leading financial forces in England may be traced to German founders, Nathan Maier Rothschild and Alexander Baring; and many others also —for example, at the present day, Henry Schroeder and Co., Frederic Huth and Co., Horstmann and Co. But these forces, some of them dominating, have regularly been lost to Germany. The need was not for German bankers, but for German banks in London, offering in their organization a guarantee that their connection with German commercial life should be preserved intact. The Deutsche Bank was the first to attempt such an establishment. After thirty years, its example was followed by the Diskontogesellschaft in 1900, and by the Dresdener Bank in 1901. At the same time the Darmstädter Bank established a London offshoot in the Bankers' Trading Syndicate.

It was desirable, however, to take up competition with the English banking concerns not only in London, but also in the transmarine countries. This was far more difficult. The first attempts were unsuccessful. The German conditions were not yet ripe for such an international advance. In particular, a suitable staff was lacking. Only when a successful beginning had

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been made in the development of German steamship traffic with all parts of the world, and in the emancipation of German import and export trade from the English middleman, was a new attempt ventured; and this time it was successful. The attempt again proceeded from our great banks. The Deutsche Bank and the Diskontogesellschaft (the latter in association with the Norddeutsche Bank in Hamburg, now amalgamated with it) led by a long way; later the Dresdener Bank appeared in the scheme, and some of our most important private firms have also taken part. The development was at the beginning rather slow. In 1896 there existed but four German transmarine banks.

In the period between 1897 and 1904—the period of rapid internal expansion—the powers of our banking system were so heavily taxed in our own country that only a few foreign banks were established. But now that the great work of internal organization has reached a temporary close, the development of German banking abroad is beginning to set in more rapidly. At the beginning of 1906 we possessed thirteen foreign banks, together controlling a share capital of more than 100,000,000 marks; and while in 1903 there were only about thirty-five German branch banks in foreign countries, the number to-day has doubled. Our great German banks are now represented, through the institutions they have founded, in all continents, excepting only Australia. The international field of German banking extends over Central and South America, Asia and Africa. It includes, however, only limited areas, remaining confined to territories which are backward in their economic development, and which do not yet possess powerful banking systems of their own. The methods adopted by German bankers fail when opposed to a highly developed native bank-system. We cannot hope, through weak branch offices with inexperienced employees, to effect anything on British, French or Dutch ground, or to establish in the United States any serious competion with the American banks.

III

The danger of single risks can be diminished not only by balancing them, but also by dividing them; *i. e.*, several banks

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may coöperate in carrying a risk which appears too great for one alone. As the effort to unload a single heavy risk produces a tendency toward combination of all the various banking functions, so the effort to divide risk produces a tendency towards the amalgamation of separate banks.

At first, a risk so threatening as to need division presents itself only in the case of isolated operations of unusual magnitude; the banks therefore content themselves with joining hands in common action for each case as it arises. A union of banks thus occurs, in the first place, only in the business of great loans, and is of course temporary. Such short-period bank unions are the issue federations (*Emissions-Konsortien*), which gradually gain an appearance of permanence because the same banks constantly re-associate themselves in similar undertakings.

Such temporary union comes into consideration only for great isolated operations, not for the continuous "regular" business of the bank. As regards risks arising in such business, diminution through division can be brought about only by a permanent union of banks. For the smaller banks, which pursue only or chiefly the "regular" banking business, relief in this respect can be gained only by amalgamation, or by the establishment of a permanent "community of interests" through exchange or purchase of shares or through contract.

The effort to diminish risk thus puts a hard alternative before the smaller banks. They must either resign a section of their clientèle to more powerful rivals—and moreover just that section which promises the greatest increase of business—or they must sacrifice their independence wholly or in part, uniting, on account of risks too great for them alone, with other banking concerns which control greater resources and are prominently active in issuing shares or bonds. If they choose this step, they certainly forfeit their independence, but they remain in connection with the sections of their clientèle most likely to bring them an increasing volume of business.

It is comprehensible that in this difficult alternative many banks decided in favor of the second step. This was especially the case with the numerous private banking firms in all parts of Germany; for in the course of development these firms had fre-

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quently fallen into a disadvantageous position in comparison with the joint-stock banks. For the most part they could not display the same resisting capacity and flexibility; they could not so easily increase their financial strength to meet new tasks nor so readily adjust their management to meet new situations; and often they did not understand so well as did the impersonal concerns how to gain and retain popularity with the public. While a joint-stock bank can to a great extent bring forward in the management the personalities that seem specially fitted for the new tasks coming to the fore, this freedom of choice is lacking in the private firms. Considerations lying outside the realm of business are here of supreme weight; birth and kinship regularly turn the scale. And while it must be recognized that ability in the private banking class has, to a large extent, not only been retained unabated, but has even been passed on as a heritage, the powers have not always proved sufficient. Sometimes, as in the Frankfurt house of Rothschild, issue has totally failed; sometimes there has not been enough foresight and elasticity to ensure timely abandonment of old traditions and complete adaptation to new circumstances; sometimes the energy of the members of the firm and their willingness to work have not proved adequate to cope with the risk and trouble of heightened competition. To such hindrances of a personal kind, which made themselves felt to the injury of our long-respected private bank system, as developed above all in South Germany, were added financial limitations. These find their root in the fact that the possibilities of increase and decrease of capital are not the same for joint-stock and for private banks.

As far as increase of capital is concerned, the difference is not important; the private bank also may increase its capital, although this can be done more simply and perhaps more safely by a joint-stock bank. But the case is different in regard to decrease of capital. The danger of a weakening of capital power hangs constantly over the private bank. Money is withdrawn from the business every time a partner withdraws or an inheritance is divided. And not only the actual fact, but even the possibility of such a decrease of capital is full of significance. For an exceedingly important change has taken place in the attitude of the public towards the banks.

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At the beginning, personal confidence was the deciding factor; a customer turned to a bank because the men acting in it were personal acquaintances and inspired confidence. The development of great organizations in our banking world gradually undermined this original principle, and a recoil set in with the disastrous bank failures of 1891. From this time, distrust spread among the public. No one ventured any longer to rely simply on a personality; the desire was rather to form a personal opinion regarding the business. The basis for such an opinion is offered only by balance sheets and annual reports. Only the joint-stock banks are bound to publish these; among the private bankers the principle of publicity is not established. The publication of such documents by them is purely optional; and with us they have not yet decided on this step. The financial position of the private banks thus remains altogether in the dark. It is frequently impossible to gain the simplest information about them. The capital in operation in the business is not known, nor whether it has increased or diminished; it can not even be ascertained whether the year's working has resulted in a profit or loss. And yet it is no longer personality, but strength of capital that secures confidence. How many customers to-day know individual bankers sufficiently well to have an opinion about their influence and credit? But it seems clear that the firm which has the largest capital will most easily bear losses and longest preserve its solvency. Thus the public has given its confidence more and more to those banks in which the greatest capitals not only exist, but exist visibly.

All these circumstances have worked together to embarrass the position of the private firms in the German banking world. More and more, therefore, the respected old private banking houses of Germany are disappearing. There have succumbed thus in the last few years, among many others, the Frankfurt house of Rothschild, Robert Warschauer and Co., Breest and Gelpcke, Jakob Landau of Berlin, von Erlanger and Sons of Frankfurt-on-the-Main, W. H. Ladenberg and Sons of Mannheim, A. and L. Camphausen of Cologne, J. Schultze and Wolde of Bremen, W. C. Warburg of Altona, and Menz, Blochmann and Co. of Dresden.

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Not only have many private banks decided to make the sacrifice of their independence, but many joint-stock banks have trodden the same path, and these significantly include a large number of the chief intermediate banks especially closely connected with our industry. The great demands made upon them by their customers, and almost endlessly renewed, have compelled them to turn for support to wealthier and more influential institutions. In this way — to quote only one set of instances—the Bergisch-Märkische Bank, the Essener Kreditanstalt, the Duisburg-Ruhrorter Bank, the Essener Bankverein, the Hannoversche Bank and the Schlesischer Bankverein have formed unions with the Deutsche Bank.

Hence arose the second phenomenon so characteristic of our modern bank system—the formation of groups of banks. The individual great banks, with their gigantic capitals, no longer stand isolated. With the sole exception of the Berliner Handelsgesellschaft, each one is surrounded, as a sun by its planets, by a larger or smaller circle of other banks. At the end of 1904, fifty-two banks, with individual share capitals of up to 75,000,000 marks, had formed unions of this character.

Three powerful groups of banks in particular have arisen. Leaving external resources, and thus especially deposits, entirely out of account, the internal resources—share capital and reserve funds—controlled by the greatest of these three groups, that of the Deutsche Bank, amount to more than 540,000,000 marks; the resources controlled by the second, the group of the Diskontogesellschaft, to more than 439,000,000 marks; and those of the third group, which is formed by the Dresdener Bank and the A. Schaaffhausenscher Bankverein, to almost as great a sum, 431,000,000 marks. A long way behind, in the fourth and last place, comes the group of the Darmstädter Bank with 202 million marks. These four groups alone include about 70 per cent of the total capital of all German banks possessing a share capital of not less than one million marks.

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THE PHILIPPINES AND THE FILIPINOS

A REPLY

AN article in the June (1906) number of the POLITICAL SCIENCE QUARTERLY from the pen of Mr. James A. LeRoy is entitled "The Philippines and the Filipinos."[1] It notices some nine or ten publications dealing in various ways with the Philippines, but it discusses only one of them in any serious way, for of a total of about thirty pages it devotes twenty-seven to that one and three to the other eight or nine. The book thus selected for special notice was prepared by the present writer.[2] It is not usually desirable that an author should answer in print attacks upon his work, but some misleading impressions conveyed in the article referred to have led me to attempt to correct them in the present brief paper.

I

I am unfortunately obliged to begin by demurring to personal criticism. Mr. LeRoy's article is built up in part upon a foundation of charges of "personal bias" and "bald misrepresentation."[3] He bases these very serious charges upon two supports. One is the suggestion that I have written as a "critic with a very strong bias preparing a political brief." The other is a discussion of what I have written and an effort to show that the statements therein made are false or erroneous. To the charge that I have prepared any "brief," political or other, with all that such a charge implies, I can only plead not guilty in the strongest possible terms. The general allegation of bias, coloring in an unconscious way what may be written on any subject, is also personal, although less grossly so, and deserves attention in this and in every case where evidence must be weighed. Mr. LeRoy says in effect that I and those who think as I do are unworthy of confidence because biased, while he and those who assert the opposite of certain statements are not biased, and hence are credible. This is the old question: Whom shall we believe about the Philippines? It has been customary for a long time to meet every criticism on mismanagement in the Philippines with a charge of bias on the part of the critic. This must mean that such

[1] POLITICAL SCIENCE QUARTERLY, vol. xxi, pp. 288–318.

[2] Our Philippine Problem. Henry Holt & Co., 1905.

[3] *Cf.* in particular, *loc. cit.*, pp. 297 n., 314 and 315.

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critics are incapable of telling the truth without distortion, either because of previous training and associations which unfit them for clear thinking, or because of some self-interested motive which keeps them from admitting what they know to be facts. Such charges, if they are to have weight, must come from persons who are themselves entirely free from any suspicions of the kind. I submit that this is not the case with Mr. LeRoy. Ever since the beginning of his active life he has been in government employ of some kind. Beginning with a secretaryship under the Philippine Commission which he retained for some years, he was transferred from the Philippine Islands to the consulate at Durango, Mexico, and has been kept at that place ever since.

One other point deserves notice in this connection. Mr. LeRoy attempts to discredit not only the personal testimony given by critics of Philippine administration, but the evidence on which they base their belief that matters have not been well managed in the islands. It is therefore worth while to consider the character of the data upon which he himself depends, and to note the criteria by which he is guided in selecting his authorities. It will be found that his method is eclectic. He distrusts Spanish statistics for revenue on the ground of the dishonesty of Spanish officials.[1] He however relies, at least in part, upon Spanish writers and historians for his ideas as to the conduct of affairs under the native government.[2] He wholly discredits foreign, and especially British, business men as animated by the lowest motives.[3] American business men fare little better with him, being held almost equally untrustworthy. Of the natives he entirely rejects those who are classed as "Manila radicals." He refuses the testimony of the Spanish mixed bloods who prefer "Latin" to "Anglo-Saxon" ideals.[4] Statements coming from foreigners and writers well-known for their work on the Philippines are entirely laid aside, those in this class including Messrs. Ireland, Foreman, Colquhoun and others, one of whom he denounces as discredited[5] while another is said to have made statements that were wholly untrue.[6]

It may fairly be asked: From whom does Mr. LeRoy get his information? Some evidence is given on this point in his article. He relies on Spanish historians and writers for his knowledge of the state of things under the government of Aguinaldo, preferring their account to the testimony of the naval officers sent out by Admiral Dewey and evidently considering it unbiased. Government reports of course he

[1] *Loc. cit.*, p. 310. [2] *Ibid.*, p. 313, n. 2. [3] *Ibid.*, pp. 307–308.
[4] *Ibid.*, p. 299. [5] *Ibid.*, p. 314. [6] *Ibid.*, p. 302.

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accepts as absolutely true. But it is clear that for the most part it is his own notions, acquired as a clerk in the employ of the Philippine Commission, together with what may have been furnished him by the present administration, on which he chiefly depends. On the one side, therefore, we have Mr. LeRoy, the officials who are responsible for present conditions, and (as regards native doings) the Spanish testimony given at a time when the contest between Spain and the *insurrectos* was still fresh. On the other, we have the practically united opinion of those who have visited the Philippines in an unofficial capacity, the statements of business men in Manila, both American and foreign, and the testimony of those natives who are not office-holders and who are independent of the government.

Students of Philippine conditions may take their choice between these classes of evidence.

II

Despite this loud outcry of bias on the part of others, and in the face of his denial of practically every specific charge of mismanagement, it is a fact that Mr. LeRoy admits substantially the whole case. His admissions are scattered through what he has written, but when compiled make an extensive showing. In criticising *Our Philippine Problem* he finds (1) that it is "difficult not to concur in the broader statements and conclusions of . . . the chapter on the Philippine civil service."[1] "This," he says, "is perhaps the sorest spot in the Philippine situation." (2) In introducing American law into the Philippines, mistakes were made, though he thinks that none were irremediable and none vital.[2] (3) Many of the statements made by me, impugning the honesty of American judges in the Philippines, are correct and "point to . . . too close concert of action between the judiciary and the prosecuting and police authorities which are under executive control."[3] (4) The "impatience of criticism" shown by the Commission has been a "harmful feature of the insular situation."[4] (5) The Philippine law as to ladronism is "naturally" (*sic*) very severe, and there are instances of revenge and what Mr. LeRoy calls "spite work" on the part of the constabulary spies.[5] (6) The constabulary is frequently "inefficient," "contains a large proportion of unfit officials and men, and has too often committed abuses.[6] (7) The opportuneness of the Philippine land tax and internal revenue

[1] *Ibid.*, p. 289. [2] *Ibid.*, p. 293. [3] *Ibid.*, p. 294.
[4] *Ibid.*, p. 295. [5] *Ibid.*, p. 297. [6] *Ibid.*, p. 298.

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tax is open to question.[1] (8) The criticism made on business conditions and upon the tariff and shipping policy pursued toward the islands is, in the main, "sound and accurate."[2]

The things which Mr. LeRoy unqualifiedly defends are the record of Mr. Taft in the archipelago, the educational system, the political system and political ideals set up by the insular administration for the guidance of the natives, the introduction of American legal ideas into the islands, and the general attitude adopted towards the natives by American administrators.

Mr. LeRoy's admissions, I submit, when grouped together, concede the main points at issue. So far as my own book is concerned, its various shortcomings, when demonstrated, can be of little interest to the general public. The main thing is to get a statement of the conditions now existing in the Philippines from those who were concerned in establishing them. Mr. LeRoy's article is the first sweeping, though seemingly unconscious, admission that has come from an official source. Secretary Taft's statement on arriving at San Francisco in the autumn of 1905 was a long step away from the position of rejection and denial that has been characteristic of Philippine administrators. Mr. LeRoy goes much further. In admitting that the civil service is largely made up of injurious elements, that the constabulary is corrupt and oppressive, that the judiciary in many instances is working under the direction of the police and the constabulary, that the tariff, shipping and business policies are wholly wrong, that mistakes have been made in the introduction of American law, that motives of revenge often control the detective force, that the opportuneness and wisdom of internal fiscal policies are gravely open to question, he most completely impugns the results of an American tenure of the islands lasting over eight years and a civil administration lasting five years. If Mr. LeRoy is correct, there is not a department of the whole administration in which the most serious sort of blunders have not been made, excepting only the bureau of education and the general scheme of government set up by the Commission. Taking Mr. LeRoy, as the spokesman of the government, at his word, the consequences of American control are such as to discredit us before the world as a colonizing nation.

It should also be noted in this connection that, although Mr. LeRoy is loud in protest against anything that seems like a specific reflection upon the intentions or even, in some cases, the acts of American authorities, he does not hesitate to decry the Spaniards and to offer the

[1] *Loc. cit.*, p. 313.

[2] *Ibid.*, p. 305.

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most serious charges against their character and the methods of government employed by them. This too is done without the presentation of a shred of evidence in support of the claims made. The great increase in customs duties collected under the American control was due in part to the higher rates of duty imposed and in part to the fact that our large army of occupation made demands for commodities never before imported in such quantities; yet this increase is attributed by Mr. LeRoy not solely to the obvious growth in governmment business, but largely to the fact that the Spaniards did not report all of the customs duties they collected, but permitted the officials of the ports to retain a portion. There is no evidence that the dishonesty of the Spanish officials, whatever it may have been, was great enough to make any such profound alteration in the figures as is here indicated. Mr. LeRoy refers to no such evidence but makes his charges positively and on his own sole and unsupported authority. He here falls into the error too widely and too readily accepted in this country of supposing that the Spanish administration of the islands was wholly corrupt and inefficient and was unsuited to the needs of the people. The Spanish did in the Philippines and in many of their other colonies a work for which they have received scant credit at the hands of their "Anglo-Saxon" critics. In the Philippines their system of rule was much more acceptable to the natives during the greater part of their stay than is that of the Americans. This is shown by the relatively small size of the army they employed and by the fact that it was largely composed of native soldiers. There has been more profound dissatisfaction, more unrest and more military activity in different parts of the islands since the Americans took charge, than there was in many times the same number of years under Spanish rule. This is the universal opinion among military men and among civilians who have studied the Philippine question on the spot.

III

Although Mr. LeRoy thus admits the general case against the quality of American rule in the Philippines, he seeks to prove that the situation is not so bad as it is painted, and that those who attack its weak points are unpatriotic. He concedes that the complaints of misgovernment have a substantial basis, but he then tries to weaken faith in them by attacking the specific charges upon which they rest. Although he admits the general defectiveness of the government, he seeks to show that in no definite point is it at fault. It is thus necessary to consider his points successively. It will not be possible to cover every issue raised by him, owing to the limitations of space imposed upon me. Much of

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his criticism consists in simply asserting the contrary of what I have stated. In answer to these parts of his article, I merely enter a counter denial, and I shall confine the discussion to a very few of the points on which documentary or official evidence is available.

In the effort to discredit my criticism of Philippine administration much attention is devoted by Mr. LeRoy to matters mentioned incidentally as features in the history of our occupation of the Philippines. One of these questions relates to the destruction of life attendant upon our military operations. He takes much pains to demonstrate from the Philippine census that the estimate quoted by me from General Bell as to the death of probably one-sixth the population of Luzon during our campaigns on that island is inaccurate, and that the alleged disproportion of women and children as compared with adult males at the present time does not exist. On these points I may say, first of all, that Mr. LeRoy damages his argument by giving them much more significance than was accorded to them by me. The loss of life, whatever it was, has been inflicted, and it was tremendous—of that no doubt has ever been expressed. Further, it is evident that neither the Philippine census nor any other collection of data enables us to test conclusively the correctness of General Bell's broad assertion. That can rest only upon estimate. The opinion of those who were in the field would seem to be worthy of greater credence than that of those who came to the islands some time after the fighting was over. That estimate is, however, put forward solely on its own merits. Personally it seems to me reasonable, on the strength of other facts that are now available; but, in any event, this is not an essential question. The other assertion, the disproportionate number of women and children as compared with the men, is of more importance. It was made by a Congressman of ability, a Republican and friend of the administration, before the census was issued and on the basis of his own observations. Mr. LeRoy attempts to rebut it by figures drawn from the census, but in so doing he only strengthens the argument in behalf of its truth. He assembles figures representing the population of various provinces, and maintains that these prove the inaccuracy of the statement alleging a preponderance of women over men. This is a mode of proceeding that hardly seems worthy. A historian who should seek to estimate the damage caused by Sherman's march to the sea would hardly think that the number of inhabitants of Oregon or California should be brought into the account when trying to ascertain the effect of a military movement confined to limited territory. The comparison must be based upon the provinces where military operations actually occurred or it is

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necessarily worthless. The census figures cited for those provinces where military operations were extensive, when comparison is made with the figures for other provinces, fully support the charge that there is a great difference between the peaceful and hostile provinces in respect to the proportion of men and women in the population at the time the census was taken. This is the whole point. The comparison becomes more striking when the figures for men of military age are compared with the whole of the population. Space forbids full analysis here. There is ample evidence in the census figures, defective as they are, of the general accuracy of the claims made by the competent observers who expressed themselves prior to the publication of the census. The suffering of the most seriously affected provinces and the lack of labor in them are abundant proof of the disastrous economic conditions there prevailing, from whatever causes their condition may proceed.[1]

In this connection, too, it is worth while to answer Mr. LeRoy's assertions concerning the work of the board of health. What I said on this subject was derived from those in charge of the bureau of public health at Manila and from religious workers whose main effort is in the direction of ameliorating the conditions among the natives. The statements made are true, as I can fully establish, and Mr. LeRoy adduces no evidence to show the contrary. The assertions made by him in this connection[2] are erroneous, except in so far as changes have been made within the past two years.

Mr. LeRoy's statements as to reconcentration are misleading. He complains of my figures for the number of persons affected on several grounds. The 100,000 *reconcentrados* of Batangas, he says, should not be classed in the table of those reconcentrated under civil government, since Batangas was then subject to full military government with Malvar in the field. This seems to be a disingenuous kind of argument. Mil-

[1] Just at this point should be uttered a word of warning against the Philippine census. That document is one of the poorest pieces of census work ever put together between covers, and is conceded so to be by all who have carefully examined it. This is not solely the fault of the compilers. The difficulties to be contended with in the islands themselves in taking the census were very nearly insuperable so far as an exact count of population is concerned. This can be easily understood by any one who reflects upon the condition of transportation, the entire inaccessibility of parts of the country, and other obstacles. But in addition there was a deep-rooted opposition to the census on the part of the natives, who did their best to retard its progress. The census itself is remarkably careless in its make-up. Harmonizing the schedules led to profound modifications in the census office after the figures had reached this country.

[2] *Loc. cit.*, pp. 304, 305.

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itary rule had been reëstablished because the civil authorities were unable to control matters. The reconcentration was an incident to civil rule in the Philippines, just as much as the placing of an American city under martial law by order of the proper authorities would be an incident to civil rule in this country. Again, Mr. LeRoy attempts to discredit the figures for Albay because they show a greater population than Albay possesses. This is another example of oblique reasoning. The reconcentration in Albay has of course to be called by some name. It included, as a matter of fact, a good many people from neighboring provinces. Mr. LeRoy complains because the authority for the figures given is in part that of a "random observer."[1] The term is misapplied in this case, since the observer referred to went to the Philippines with the personal endorsement and introduction of the authorities in Washington as the representative of some leading Republican senators. He was the guest of the Philippine commissioners while in the islands and was provided with every official facility for making his inquiries. He was later offered an appointment as provincial governor by Mr. Taft, and he is thoroughly friendly to the administration. His testimony is entitled to the same weight as that of any well qualified person. His evidence is printed as a Senate document.

Dealing with the question of civil service in the islands, Mr. LeRoy complains of the criticisms directed against the character of the present employees, although he has already admitted that the civil service is the sorest spot in the whole administration. He protests against demands for a set of well-trained men "who do not exist" for employment in the colonies, and urges that inasmuch as critics of the present regime demand the withdrawal of the American officials so far as possible, they should not quarrel with the character of the persons temporarily employed. This would be sound reasoning provided the notion of substituting Filipinos for Americans had been accepted by the administration. Such is not, and is not likely to be, the case. Therefore the present administrators must be judged by their own standards and not by those of a policy which some one else hopes to see adopted, but which has not been and, so far as can now be discerned, never will be while those now in control remain in the saddle. The complaints as to the present system of local and provincial government which I have reproduced in my volume are waved aside by Mr. LeRoy because of insufficient experience on my part "to give the conclusions value." I will pass the latter point without argument and call attention to the fact that the

[1] *Loc. cit.*, p. 297.

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complaints of the present inefficient and hopeless mode of managing these local communities do not come from any one individual but are verified by the common testimony of men of far greater experience and length of residence in the islands than my critic—men, too, who have seen the work of other governments in their colonies and who are free from political connections, American or foreign.

With reference to the judicial system now in force in the islands, Mr. LeRoy is hardly fair. He admits that "several of the circuit judges in the Philippines have not shown themselves to be sufficiently independent of mind, and that there has been in some cases too strong a tendency to convict and too close a concert of action between the judiciary and the police and prosecuting authorities which are under executive control." This is the main point in the case, and it is, as Mr. LeRoy observes, a "matter of general and serious concern." That being true, why should my critic complain because the statement of this fact impugns the honesty of American judges and of the "highest American officials in the Philippines?" It does, of course, and Mr. LeRoy's admission just quoted does so to an equal degree—the term "honesty" being used in its broader sense and not with any pecuniary reference. He complains because no evidence is adduced in support of the charge that native witnesses are discredited in testifying against white men—a fact requiring no proof, as it is stated and recognized by everyone in the Philippines, white or brown, official or unofficial. The statements made by me concerning the Freedom sedition case are rebutted on the evidence of a man who is now a practicing attorney in Manila, and who has every motive, in the interest of his present prospects, to smooth over events which occurred a few years ago. There is, however, one fact which by itself fully substantiates my description of the judicial conditions in the islands. This is that Secretary Taft, when in the Philippines in 1905, took up the question of executive interference with the judiciary and discussed it with the Commission itself or, in Mr. LeRoy's words, with "the highest American officials in the Philippines." Mr. Taft then said that legislation should be prepared, taking out of the hands of the Commission the power to appoint judges, giving the judges fixed terms, and allowing the supreme court and not the attorney-general's office to fix the distribution of cases. This legislation, which will undoubtedly be passed very soon, shows Mr. Taft's idea of the necessities of the case. While Mr. LeRoy neglects this fact, which he must have known, he also neglects the actual testimony given in *Our Philippine Problem* as to the incompetence of the American judges and the methods of the inefficient and venal interpreters

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attached to the courts. This testimony is given in the form of a careful letter sent by one of the most eminent lawyers in Manila to Mr. Taft. That letter stands for the opinion of the best legal authorities in the islands. It may be fair to add that every statement contained in my chapter on the Philippine judiciary can be confirmed by the testimony of two judges, two ex-judges, or two Philippine public officials.

Although Mr. LeRoy is willing to admit the whole case against the constabulary, saying "that it has proved inefficient, that it contains a large proportion of unfit officials and men, and that it too often has committed abuses," he yet contends in the common official way that the arraignment is "one-sided." This is followed by the significant claim that "whatever be the means and methods adopted to preserve public order in the Philippines, some degree of evil and abuse will inevitably be associated with them." Such a statement seems like a confession of the inability of the American administration to assure good government in the islands. It can hardly be interpreted in any other way. Mr. LeRoy maintains that the abuse and misrule of the constabulary is due to the fact that the people do not "know their rights." But that is precisely the reason why it is supposed that we must remain in the islands. Mr. LeRoy proves too much or he proves too little. If the constabulary is as inefficient as he admits, it must be due to the fault of those who organized it and who are in control, and not to that of those who are controlled by it. Absolute power produces the same consequences whether it is exerted in Russia or in the Philippines. If Mr. LeRoy is right, some degree of abuse (and probably a large degree) will always and inevitably be "associated with" our control of the natives. One pointed charge is made by Mr. LeRoy concerning the trick by which the Albay *ladrones* were induced to surrender on promise of amnesty. He calls attention to the fact that Col. H. H. Bandholtz, who had the Albay matter in charge, now denies all knowledge of the document by which amnesty was offered to the natives. He endorses the statements of Bandholtz, and on the strength of these statements he charges me with "peculiar methods."[1] This is the usual Philippine way of accepting the statement of a constabulary officer at full value, but in this case it will hardly pass muster. The document referred to by me is contained in the court records, was considered at the trial of Simeon Ola, and was never questioned by the government attorney. Since my book appeared, Ola has been reported pardoned, thus carrying out the agreement made with him personally.

[1] *Loc. cit.*, p. 297 n.

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My critic brings forward again the old complaint as to a biased source of information when he comes to deal with what I have said of the schools of the Philippines. He remarks that the information in question undoubtedly came from "certain Manila radicals." That seems a promising hypothesis, and it is unfortunate that he should contradict it by suggesting that the discussion reads like a contribution from one of the "dissatisfied American teachers . . . who came home to scold about the mistakes of those in authority." The last shot is the nearer to the mark. The statements I made came from the teachers themselves, and since nearly all are "dissatisfied" it is perhaps fair to say that they came from "dissatisfied teachers." Among the "teachers" I talked with at length were the superintendent of education himself and several superintendents of provinces as well as probably forty or fifty teachers selected at random in traveling through the country. The Filipino enthusiasm over the schools to which Mr. LeRoy refers is largely a superstition of officialdom. So far as it extends, it is enthusiasm, not for the methods of the American school system, but for the chance to get educational opportunities at all. Chief among the errors referred to is that of selecting English as the medium of instruction. No well-informed person, American or Filipino, now denies that this choice was a gross blunder. The statements made by me as to the conditions under which the school system was begun rest upon the authority of the Philippine bureau of education. It is not true, as stated by Mr. LeRoy, that "more Filipinos can speak English than Spanish." The data as to enrolment in the schools were given me by Dr. Barrows, chief of the bureau of education, a few days before I left the islands.

Mr. LeRoy's criticism of what I have said of the church problem is directed against certain specific points. He maintains that the charge made by me that too high a price was paid for the friar lands is unfounded. He wholly disregards the fact that the incomes received by the religious orders from the lands sold by them in the shape of interest on their money are far greater than the sums they received as rents under the old régime. The price—$18.00 per acre—was undoubtedly an exorbitant charge for the best land in the islands in any such quantity, which is of course the fair construction of the words used by me. It is also a fact that the friars in retaining their city property have kept the best element in their estates. Speaking of these two points and with special reference to the question of price, Governor Wright, when I was in Manila, used the following pointed expression: "The friars have without doubt given us the dirty end of the stick." A third state-

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ment to which Mr. LeRoy takes exception is that the friars are now returning to the islands in considerable numbers. That this is true he could have learned by communicating with almost any of his official friends in Manila or, better still, with some of the church authorities. Archbishop Harty, during my stay in Manila, stated to me explicitly that many of the friars would be absolutely necessary in the service of the church owing to the difficulty of getting any other ecclesiastics to take their places.

The disastrous economic conditions prevailing in the Philippines to-day are now so well recognized and so fully admitted that it seems unnecessary to make any reply to Mr. LeRoy's ineffectual attempt to palliate these industrial evils. The fiscal side of the situation, however, demands attention. Mr. LeRoy, like many other official apologists of the present régime, does not care to admit the fact that the American government has been enormously more expensive than that of our predecessors. The figures given in *Our Philippine Problem* with reference to this question were all obtained by personal application to the officials of the Philippine treasury or of the bureau of insular affairs and show precisely what the government of the islands represents itself as spending. In order to mask the significance of the figures, however, Mr. LeRoy resorts to two distinct methods. (1) He endeavors to show that comparisons with the reports of Spanish expenditure are erroneous because of failure to take account of changes in the purchasing power of money and because of the incomplete character of the accounts of the Spanish authorities. (2) He endeavors to explain away the great totals of the American expenditures by claiming that they represent "gross" and not "net" outlays. These claims deserve careful study, because they involve the whole issue of our financial management in the Philippines.

In reply to Mr. LeRoy's first point, attention may be called to the fact that the Schurman commission presented the accounts I reproduced as showing the expenditures of the islands in a "normal year." We may fully trust the commission on this head. Mr. LeRoy's claim that certain additions should be made is worthy of no attention, because the same additions would have to be made in nearly all cases to expenditure under our régime, so that the comparison would remain unchanged. His claims as to changes in the purchasing power of the money unit in government finance can have no application unless account is likewise taken of the great changes in the prices of commodities and their effect upon the buying power of the community, in which case the comparison is even more unfavorable to the American

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régime than it seems to be on the face of things. This phase of the discussion is one that involves numerous considerations which must be omitted here owing to lack of space.

Mr. LeRoy's second criticism, that the figures given by me for American expenditures or receipts are "gross and not net" means, if it means anything, that, included in the figures given, there are some items that are duplicated owing to payments passing between different departments of the government and by each credited as revenue. In answer to this charge, I raise the question: Whose testimony is authoritative on Philippine modes of accounting, that of the officials of the government or that of Mr. LeRoy? The figures given by me are taken from the published accounts of the government. These accounts were shown and explained to me by officials of the treasury department, and represent what they at least supposed themselves to be expending. Throughout his argument there runs an attempt to confuse the issues by misstating figures, representing sums given in one kind of currency as if they were given in another, and variously confounding the real question raised. The limitations of space prevent me from rebutting more than one or two of his points. His most severe criticism relates to a table given on page 426 of my volume, in which the cost of American government for the future, so far as derived from taxation, is estimated as 35,300,000 *pesos*. Of this estimate of mine he says:

> Yet he is willing to set such an exaggerated hypothetical estimate of revenue collections against the incomplete statements for a comparatively low year of Spain's actual collections, and in the next breath he says: "This furnishes a comparative test of the real burdens resting on the people ten years ago and at the present moment." The burden of taxation at the present moment he thus represents to be over 35,000,000 *pesos*. The revenue collections for the fiscal year 1904–05 were really 18,264,000 *pesos*, net, for the insular government (according to figures furnished the reviewer in Manila last August) and about 9,500,000 *pesos* for the provincial and municipal governments, or a total of less than 28,000,000 *pesos*. Comment is unnecessary.[1]

In this brief statement there appear at lest four distinct misrepresentations. (1) My original estimate of 35,000,000 *pesos* is stated in Mexican dollars, while Mr. LeRoy neglected to note that the figures he furnishes are in Philippine *pesos*, worth at the time they were given at least ten per cent more than the Mexican dollars employed by me.

[1] *Loc. cit.*, p. 313.

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This at once raises his 28,000,000 *pesos* to 30,800,000. (2) Mr. LeRoy includes "insular," "provincial" and "municipal" revenues, but he omits the city of Manila, which is always separately classified and in which the receipts are never less than $1,500,000 gold per annum. This would add some 3,150,000 *pesos* Mexican to the total already given, making altogether about 34,000,000 *pesos* Mexican. (3) Mr. LeRoy's figures are too small if they are intended fairly to represent average conditions. In the report of the Bureau of Insular Affairs just published, the "net" revenues of the Philippines are explicitly given as $11,468,067 insular, $4,509,572 provincial and municipal, and $1,995,289 for the city of Manila. This makes a total of $17,972,928 gold as the total revenues of the islands, and it is specifically stated that the figure is "net, excluding all articles of a refundable character." From this total, however, must be deducted the sums contributed by the insular government to the other grades of government, which of course figure twice in the total. With these deductions the total income is still between $15,000,000 and $16,000,000 gold, which is more than the tentative estimate I made two years ago. (4) Mr. LeRoy neglects to state that subsequent to the publication of my book serious changes were made in the internal revenue law, so that, had the collections turned out to be smaller than was estimated by me, there would still have been no evidence of an alleged disposition on my part to exaggerate. From what has been said it is clear also that the computations made by me with regard to the past cost of Philippine government are below, rather than above the mark.[1] Responsible officers of the government have informed me that such is the case. In

[1] It is a trifle hard to understand the contradictory assertions of Mr. LeRoy as to my remarks on the question of roads for the islands. Apparently he disagrees with the statements which I have made, for he cites some figures as to the outlays made by the administration and says: "This is a rather different story from that told by Mr. Willis's figures and assertions." Why these figures should be held to tell a "rather different story" from mine when they are (differences in dates being borne in mind) practically the same as those given by me at the bottom of pp. 371 *et seq.*, it would be difficult to see. Almost in the same connection he says: "The islands were never well provided with roads in the past and the same is true today, and the existing roads are still in more general disrepair than before warfare began." This is practically the only point in the case. We have not restored the transportation system to a condition equalling that which existed prior to the outbreak of warfare. The question whether we are spending as much as the Spaniards did is subsidiary, though it can be shown that we are not. The Spaniards created the whole transportation system and maintained it by forced labor. We have not ventured to restore the forced labor until lately, and we have not been able to appropriate enough cash annually to hire equivalent labor.

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view of these facts, it would seem that Mr. LeRoy's attempt to prove misrepresentation on my part as to the insular financial status is far from warranted by the facts, which he seems to have distorted to suit his own purposes. Of the multitude of other points he raises no account can be taken here. I can only say that in nearly every case he gives a fundamentally erroneous and twisted view of the facts.

Why finally should my critic complain because of a failure on my part to point out that Mr. Taft was not responsible for the errors that have lately been committed in handling the islands? On the contrary, the policy now being worked out is the direct result of Mr. Taft's plans. There has not been a moment when Mr. Taft has not been in direct control either as governor-general of the Philippines or as secretary of war. As governor he was given a perfectly free hand, and as secretary he has retained the actual power in insular matters in his own possesion instead of turning it over, as he might have done, to his successors. It is perfectly idle to try, as Mr. LeRoy does here and elsewhere, to differentiate between the personal relation of Mr. Taft and of his successors to Philippine policy. No such difference exists, and the attempt to draw an imaginary line of distinction is as unwise as it is difficult.

The personal bias against Mr. Taft which Mr. LeRoy attributes to me exists only in his own imagination, and every item which he cites in the attempt to support this assertion is perverted or misrepresented. He complains of an "insinuation" on my part that secret influences are at work in Washington in behalf of financial and industrial interests. On this he challenges me for "specifications." In reply to him I will cite, as illustrating my meaning, the bill discriminating in favor of American cottons passed by Congress in 1906, and the retention of the present situation as regards the export tax on hemp. As an example of the "features of administration" to which he refers, may be mentioned the way in which the new silver for the coinage was purchased. Both of these latter points are fully dealt with in my book. There is no charge of "dishonesty" in what I wrote, despite Mr. LeRoy's effort to make it appear as if there were. The charge made is a charge of undue control by business interests, too strong to be resisted by the most upright of administrators, not of "dishonesty."

Mr. LeRoy's article is merely one example of current political evasion of the issues involved in the Philippine problem. He is the more blameworthy in that he resorts to methods of obscuration under the guise of a "book review" in a scientific publication.

H. Parker Willis.

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A REJOINDER.

Mr. Willis's attempt to impugn my criticism of his book on the ground that I hold a government position and am therefore bound in my own interest to defend the present administration of affairs in the Philippines raises an issue which I shall not discuss. I shall not even attempt to correct his misstatements of fact as regards the length and continuity of my governmental service. The majority of readers, who know nothing about me personally, will have to judge from my writings whether I have studied the subject and have shown independence of opinion.

My statement that Mr. Willis's book was not a political scientist's "calm, detached survey of events and conditions," but a "political brief," and that it exhibited "strong bias," particularly against Secretary Taft, was not simply the expression of a personal opinion on my part—in fact, there was nothing personal in the matter at all. In my review I cited passages from his book and compared these passages with the evidence which was before Mr. Willis himself; and I submitted, as I still submit, that the comparison proves bias. It is not I who arraign Mr. Willis, but his own printed statements, when they are confronted with the facts. From such an arraignment he can not exculpate himself by sweeping protestations or by assailing my good faith and intellectual honesty.

I shall not attempt to discuss Mr. Willis's general denials, nor shall I revert to the issues, some of them serious, which he now evades under the plea of "limitations of space." I refer the interested reader —whose interest lies, of course, not in determining the personal merits of Mr. Willis or of myself, but in ascertaining the truth about the Philippine situation—to my contribution to the POLITICAL SCIENCE QUARTERLY for June, 1906, where facts and figures are given and the authorities are in most cases cited to support them. A few of the new statements of Mr. Willis, however, merit attention here.

As to reconcentration. Mr. Willis, in his book (pp. 130–134), after expressly excepting those cases where it was "earlier practised by the military authorities," said that "the number of persons recently affected by this policy under civil government" was 451,000, as shown in a table he gave, wherein 100,000 of these *reconcentrados* were credited to Batangas in 1902 and 300,000 to Albay in 1903. It is not true, as to Batangas in 1902, that "military rule had been re-established because the civil authorities were unable to control matters." Against its own inclination, and at the request of General MacArthur, who recommended it as a measure calculated to "pacify" the province,

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the Philippine Commission, in May, 1901, nominated officers for a civil provincial régime in Batangas; but these officers never had more than nominal control, and the province did not actually pass from under military control until after General Bell's campaign of 1901–1902. As for the 300,000 *reconcentrados* of Albay, the total population of that province is 240,000; parts of Albay itself were not included in the area of reconcentration; there was no reconcentration in the neighboring provinces, as Mr. Willis now asserts in order to sustain his figures; and the term *reconcentrados* is applied properly only to those who are made to give up their homes in the *barrios* and join, during the nights at least, those living in the centers of population. Mr. Willis's Tayabas *reconcentrados* (put down as of 1903) apparently belong also with the military campaign of 1902 in Batangas. Hence, instead of 451,000, it would be putting their numbers sufficiently high to say that there were 150,000 *reconcentrados* under civil government.

On the basis of a document with a forged signature (the forgery having since been confessed by its author), and without giving the constabulary officer, a captain in the American army, any opportunity to be heard from, Mr. Willis in his book charged this constabulary officer not only with promising immunity to secure an outlaw's surrender, but also with promising that a certain Filipino (the forger) should be elected provincial governor. The man was in fact so elected. The plain inference to be drawn from the incident as related in Mr. Willis's book is that the Philippine provincial elections are farces, and of the worst sort, being controlled by American constabulary officers. I quoted this constabulary officer's denial *in toto* of the authenticity of the document in question and of the truth of any of the facts alleged. Since the publication of Mr. Willis's book, affidavits from those concerned, including the forger, have been put on record, and the Filipino periodical which first circulated these charges has withdrawn them and apologized. Mr. Willis, however, refuses to do as much, and sneers at the idea of "accepting the statement of a constabulary officer" as one that "will hardly pass muster."

So also, while reiterating his worst charges against the Philippine judiciary on the authority of an "eminent lawyer" of Manila, who remains anonymous, Mr. Willis impugns the veracity of another Manila lawyer, an American of high character, a former judge in the Philippines, who is not anonymous, but who came out openly and denied, with circumstance and detail, in a voluntary letter, Mr. Willis's charge in his book (p. 100 n.) that he, Judge Odlin, was transferred from the bench in Manila to the provinces for resenting some rather dictatorial

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remarks of the attorney-general. I simply point to Mr. Willis's new insinuation about this man's "motive, in the interest of his present prospects," as excellent evidence of his temper and of the credibility of his assault upon the honor and integrity of Americans of the highest category, executive and judicial officials, in the Philippines.

Comment is likewise unnecessary regarding this new misstatement about the Philippine public schools: "No well-informed person, American or Filipino, now denies that this choice [of the English language as the medium of instruction] was a gross blunder." In my review, I stated that Mr. Willis got his information as to the Filipinos' attitude toward our schools from "certain Manila radicals," especially those who are really Spaniards at heart and hate all things American.

Did the same gossips in Manila, who told Mr. Willis that the friars had reserved their best lands and sold the government the poorest, also tell him that "the incomes received by the religious orders from the lands sold by them in the shape of interest on their money are far greater than the sums they received as rents under the old régime"? The friars have never been given to publishing financial statements, and Mr. Willis has been more fortunate than I if he has found trustworthy data on this subject. One Spanish writer cited in my review last June was there quoted to the effect that the annual product of the friars' estates was 16,000,000 *pesos*. I think this is a very great exaggeration; but even one-twentieth of this sum would be good interest on the $7,000,000, approximately, that the friars have received for their lands (one-half of which sum, moreover, is reported to have been obtained by the Vatican for the use of the Roman Church in the Philippines). It is necessary only to note the quibbles by which Mr. Willis seeks to get away from the statements in his book that the average of $18 per acre paid for the friars' lands was "a very high valuation even for the best land in the archipelago," and that the lands held back from the government by fictitious transfers, *etc.*, "are said to be among the best holdings of the friars." Mr. Willis would now give the impression that he meant the city property of the friars in saying that they had retained their best holdings. It was never at any time proposed to buy this city property.

Everyone knows that some American, Irish, English and French friars, and also a few of the old Spanish friars, have gone to the Philippines, partly at the request of the American bishops, during the past three years. But that the old friars are "steadily drifting back," or that friars from elsewhere are flocking to the Philippines "in considerable numbers," is untrue. In 1898 there were over 1100 members of religious orders in the Philippines; to-day there are perhaps 350, including from 60 to 100 newcomers during the past three years.

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I was unduly lenient with Mr. Willis's chapter on fiscal matters. I charitably ascribed his blunders to a failure to study the details of the auditor's reports, and thus to discover that the figures he used were in part mere bookkeeping totals, indicating in some cases gross, not net, revenues, and being in other cases duplications of treasury receipts. But now, when the facts and figures have been pointed out to him, he evades them and still insists that the present Philippine government is "enormously more expensive" than that of Spain. His table on page 408 of his book lies at the basis of all his calculations and comparisons. Just to take one instance: this table shows treasury receipts for 1903–1904 of $20,932,927; including the city of Manila, the revenues for that year actually were $11,607,373.35.[1] The totals he has given for treasury receipts include each year "repayments from appropriations," which amount to nearly $12,000,000 in all for the four fiscal years (1900–1904) for which he has calculated an average for the purpose of comparison with the Spanish régime. Mr. Willis has, on page 409, himself called attention to the fact these are "sums left over from various earlier appropriations and finally paid back into the treasury"; it is, therefore, rather astonishing to find that he has included them in the total on page 410, which, he says, "is a sum wholly derived from insular sources and represents the actual cost to the natives of the Philippines of four years of Commission government." No less astonishing is it that the sum which he there says represents "the total receipts actually gathered into the treasury from ordinary sources" during those four years includes also $7,675,390 which he had himself stated were "extraordinary revenues" for 1902–1903, being receipts from bond sales to establish the new currency system (which has been a source of profit to the treasury, not a drain upon taxes at all) and the $3,000,000 donated by the Congress of the United States. Mr. Willis's way of replying to me, when I point out this misuse of the published statistics, is to ask: "Whose testimony is authoritative on Philippine modes of accounting, that of the officials of the government or that of Mr. LeRoy?" He thus made out an average cost of government for the four years 1900–1904 of $17,500,000—a figure which has never been reached in any year and which is, in fact, $3,250,000 too high for the total of insular and local taxes during the four years 1901–1905. During each of these four years the revenues increased, and in each of these years they were higher than the year 1900–1901, which year, though included in his averages, was in fact a year of military government.

[1] Rep. Phil. Comm. 1904, part 3, p. 745.

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The actual discrepancy between his figures and the facts is, therefore, greater than appears above.[1]

Mr. Willis accepted the figures given in the Schurman commission's report for the budget of 1894–1895 as complete both for the insular and local governments under Spain. From its total of $13,579,900 (Mexican) he subtracted the $6,495,237 expended upon army and navy and the $628,752 expended on public works, and thus made the cost of maintaining the machinery of government alone $4,730,494 (Mexican) which he pronounced to be equivalent to $2,365,247 in our money. Therefore, he said, the cost of civil administration alone is to-day more than five times as much as under Spain (really, six times as much, according to his own figures).

I pointed out that the Spanish figures are not complete and hence can not properly be used as the basis for any such comparison. The same error made by Mr. Willis has been made by a number of others who have sought to institute such a comparison, and who have accepted implicitly the budget figures given by President Schurman in his report. The budgets given in that report for 1894–1895, in Mr. Foreman's book for 1888–1889, and in Mr. Sawyer's book for 1896–1897, were all *net* budgets, did not include all the money drawn from the people by the insular government alone, and did not at all include the sums raised by strictly local taxation. This is a matter easily ascertainable by the slightest inquiry, and a matter with which anyone who has made any real study of Spanish fiscal administration in the Philippines is thoroughly familiar. Yet Mr. Willis brushes aside the specific data I gave upon the matter with the remarks that "we may fully trust the Schurman commission on this head" and that my statements are "worthy of no attention."

My estimates of the amounts which should be added to the Spanish budget figures in order to show the actual cost of government to the people were, at the time of reviewing Mr. Willis's book, made very conservatively, so as to be on the safe side. Since then I have obtained from the archives at Manila data on the Spanish budgets of

[1] My estimate of $12,500,000 for the government expenditures of 1905–1906 will prove too low when the final figures are published; it was, however, based upon the data given me when I was in Manila in the summer of 1905, upon the budget then prepared for that year, and upon the expectations of lessened revenue, which have only in part been realized. My estimate of 28,000,000 *pesos* for the total tax collections of 1904–1905 was also based upon the figures given me by government officials during that visit, two months after the close of that fiscal year; but the reports since published prove them to have been too low by about 4,000,000 *pesos*.

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1894–1895 and 1896–1897, getting the actual figures of tax collections where available and the closest estimates to be drawn from official records in other cases. At some future time I propose to deal with this matter more fully; but I here indicate briefly the additions that should be made to the budget figures, which are, let me state explicitly, in no case additions that are to be made to-day.

To the $13,579,900 (Mexican) of the insular budget for 1894–1895 should be added: $1,658,750, a twenty-five per cent surcharge on the capitation-tax for the benefit of "local funds"; $476,000, premiums paid to the officials who collected these and other taxes (all such officials to-day, even municipal officials, are paid salaries); $11,000, a ten per cent surcharge on the tax on town-rentals, for the benefit of the municipalities; $150,000, subsidy to the cable company, paid directly out of telegraph and other stamps without figuring in the budget; over $725,000, surcharges on customs and port dues, forming a special fund for the Manila harbor works; $1,560,000, liquid product of all taxes, such as licenses, *etc.*, for the benefit of the provinces and municipalities, including Manila; $500,000, a conservative estimate of judicial and other fees, from which many officials and employees received all or a part of their compensation, whereas to-day they are paid salaries (justices of the peace, who still receive fees, not being included); $500,000, estimate of the profits of those who managed under government authority farms and monopolies on opium, cockfighting, *etc.*

Here we have more than $19,000,000 (Mexican) drawn from the people in 1894–1895 under the various forms of taxation. The budget for 1896–1897 (which took effect before the insurrection of 1896 began) showed a net total of $17,474,000; actual collections for that year were not less than $23,000,000, calculated as above. We should take into account, also, the value of the labor which the men of the poorer class were forced to contribute by the *corvée* (labor misused or used for private purposes more than on the highways, as Mr. Willis will learn upon inquiry); the much larger amount drawn at that time from the people by the church and the religious orders as partners of government; and the levy upon the people, direct and indirect, in the various forms of "graft." Even if we do not attempt to figure out the loss of the people through an unstable and declining dollar nor the difference in that dollar's value to-day and during most of the years of Spanish rule, and even if we call the Philippine government to-day a 30,000,000-*peso* government, which it has not been on the average,[1] still the govern-

[1] My estimate was of a 25,000,000-*peso* government from 1905 onward, with an

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mental burden resting on the people of the Philippines is to-day certainly little heavier, and perhaps lighter, than it was under Spain. The returns to the people in the way of public services and improvements are very much greater than under Spanish rule.

My writings will show me rather pro-Spanish in my sympathies and not at all in accord with much of the criticism that has been too hastily made on Spain's colonial administration. But the facts as to administrative corruption in the Philippines are, in the first place, matters of notoriety, and, in the second place, some of them are matters of record in Spanish publications. Mr. Willis need make no diligent search to find in our own official records data as to the frauds practiced in the custom-houses of Manila and Havana. Incidentally, it may be remarked that one cause of the higher cost of administering government in the Philippines to-day is the paying of the agents of government by salaries, instead of permitting them to pay themselves by fees and "squeeze."

It is true that the United States government now pays for the strictly military establishment in the Philippines, which is far greater than it used to be. But it is also true that the circumstances which have led to the present necessities in this respect occurred in part before the close of Spanish rule, in fact are primarily involved with Spanish rule; and if Spain had remained in the Philippines, she would to-day be supporting a much more expensive military establishment than formerly. In part, if not wholly, the Filipinos would be sustaining this burden. In 1897, the Philippine treasury was made responsible for a debt of $40,000,000 silver, part of which was expended there and part in military operations in Cuba; this loan was the basis of the payment of $20,000,000 gold by the United States to Spain; and had not the United States intervened in the Philippines, the whole sum would eventually have been drawn from the people of those islands.

Except that I prefer to point merely to my own words in the QUARTERLY for last June, I might have something to say as to the way in which I am made to "admit the general defectiveness of the govern-

average, as shown, somewhat higher for the preceding four years. That estimate, however, has not been realized, both because the economies instituted have not proved so complete as was proposed, and because the revenues have not declined to the extent that it was expected they would. As for Mr. Willis's defence of his 35,300,000 estimate: First, it did not include all Philippine taxes (p. 425 of his book), hence his figures should go even higher; second, his table expressly does *not* state this sum in Mexican dollars (p. 426); third, no "serious changes," as affecting its producing power, have been made in the internal revenue law.

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ment" and to the manner in which my statements as to highways, the loss of life in the islands, the honesty of the judges, *etc.*, are perverted. That the loss of life from war in the Philippines was very small, not "tremendous," I showed from census figures applied particularly to those very provinces which Mr. Willis specified as having suffered most severely. I think it safe to say, in closing, that the makers of the 1903 census could successfully defend it from Mr. Willis's imputation that its figures were juggled in Washington.

JAMES A. LEROY.

DURANGO, MEXICO,
JAN. 25, 1907.

[Judgment on the points in controversy between Mr. Willis and Mr. LeRoy must be left, as each of these gentlemen proposes, to the readers of the QUARTERLY; and it is neither the duty nor the desire of the editors to indicate their opinions. In one respect, however, Mr. Willis's remarks call for editorial comment, because they appear to reflect upon the editorial conduct of the QUARTERLY as regards selection of reviewers.

The editors are not sure what Mr. Willis means by saying that Mr. LeRoy's criticism of his book appeared "under the guise" of a book-review; but the phrase seems to imply that it was really something other than a review. It is therefore desirable to state that Mr. LeRoy was asked by the editors to review Mr. Willis's book, together with certain other books on the Philippines, and to add that, as far as they can see, he did review it in the sense ordinarily attached to that term —distinguishing between those portions of the book which he regarded as substantially true and those other portions which seemed to him untrue or misleading, and endeavoring to substantiate his criticisms by evidence. That he gave much more space to Mr. Willis's book than to all the other books included in his review is not, so far as we can see, a discrimination which should be regarded by Mr. Willis as a grievance.

It is clear, however, that Mr. Willis thinks that a book which criticizes American government in the Philippines should not have been assigned for review to a person in the American governmental service. It is doubtless desirable, in all cases, to entrust the review of a book to a person who not only knows as much about the subject as does the author, but who is also free from all suspicion of possible bias. This, however, is a counsel of perfection. It is almost impossible to carry such principle into practice even as regards books dealing with fifth-cen-

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tury history or with the theory of value; and it is wholly impossible to observe it as regards books dealing with current politics.

In the case of Mr. Willis's book the editors could not ascertain that any person existed who knew as much as Mr. Willis knows about the Philippines and whose attitude toward American government in those islands was one of suspended judgment. Under these circumstances the only choice open to them was to entrust the book to an expert of Mr. Willis's way of thinking or to an expert whose views were on the whole opposed to his. As between these two courses, the editorial decision could not be doubtful. In matters of current political controversy the chief thing to be desired is to get at the truth, or at least to get as near the truth as is possible. In judicial procedure it has been found that truth may best be disentangled from conflicting statements by having each side of the question presented by a person who is confessedly an advocate. As Mr. Willis's book was distinctly anti-governmental in its conclusions, it would have been, in the opinion of the editors, perfectly justifiable to assign it for review to an officer of the federal government who was actively interested in the administration of the Philippines. This, however, the editors did not do; nor did they ask Mr. LeRoy to review the book because, being in the federal service, he might be expected to present the governmental side of the question, but because he had written upon Philippine affairs in a manner which showed him to be a serious student of the subject, and particularly because he had contributed to the POLITICAL SCIENCE QUARTERLY a valuable article on the friars in the Philippines.

It has been the policy of the QUARTERLY, as of other journals, not to print replies to criticisms made in book-reviews. In this case exception has been made because the editors consider it of the greatest importance that as much light as possible be thrown upon the questions of fact which underlie the present controversy.

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REVIEWS

A History of Modern England. By HERBERT PAUL. Volume IV (1875–1885) and Volume V (1885–1895). New York, The Macmillan Company, 1905, 1906.—409, 405 pp.

These final volumes of Mr. Paul's history strengthen the impression made by the earlier instalments that he is essentially a journalist rather than a historian. No one can question the breeziness and vigor of his style or the cleverness of his epigrams; but however successful the work may be as literature, as history it leaves much to be desired. The period covered by the five volumes, 1846 to 1895, is of course too recent for anything like final treatment. Great masses of material are still inaccessible and the events are not yet far enough removed to be seen in proper perspective. Nevertheless we have a right to expect something more than a mere series of essays arranged in chronological sequence. The social and political life of the British people changed more radically, perhaps, during the last half of the nineteenth century than during any other period of their history. Would it not be possible to put some unity into the story of those years by laying down certain fundamental lines of development and using them as an outline? Mr. Paul points out the most significant change of all when he says:

> The feudal spirit was entirely dead, and young England was as though it had never been. . . . The old sentimental influence of class and station was yielding to the universal power of money. . . . Under the disguise of democratic forms England was passing from aristocracy to plutocracy, from the control of a class to the control of a purse. If there had been no Egyptian bondholders in this country, there would have been no interference with Arabi, no campaign in the Soudan, no fall of Khartoum, no loss of Gordon [vol. iv, pp. 384, 385].

He does not, however, explain the process by which this result was brought about, nor does he show adequately the influence of the change upon political conditions. He also fails to grasp the full significance of the reform bills of 1867 and 1884–85. The legislation of 1832 brought the House of Commons under the control of the middle classes. In the conflict which followed between modern commercial interests and the old feudal territorial interests, the former were successful, the

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Corn Laws were repealed, and the prestige of the Crown and the Lords sank to its lowest ebb. The extension of the suffrage to the proletariat, however, has strengthened the hereditary element in the government, because the plutocracy wishes to maintain its privileges and the middle classes are afraid of trades-unionism and continental socialism.

The repeal of the Corn Laws did not have the disastrous effect upon landed interests which had been prophesied. Lord Brougham could say, in 1856, that a "real genuine uncompromising protectionist could only find his proper place in one of our museums among the relics of the ancient world or the specimens of extinct animals." The great agricultural depression, which constitutes such a serious economic problem at the present day, dates back only to the early eighties, and is no doubt primarily due to the opening up of new wheat lands in America through the construction of transcontinental railways. Mr. Paul does not lay sufficient emphasis upon this fact, nor does he show the influence which the depression exerted upon British politics. Until about 1885 the majority of the people were prosperous and contented. After the death of Lord Palmerston in 1865 they paid little heed to foreign and colonial matters, and attended strictly to their own home affairs. It was the age of reform, the age of Gladstone. But reform could not solve the problem of American competition. As economic discontent became more acute, the newly enfranchised masses turned to imperialism for relief. It failed, and now Mr. Chamberlain is urging them to adopt protection, a remedy which has at least the merit of being logical.

The fourth volume (1875–1885) gives an excellent opportunity for contrasting the statesmanship of Beaconsfield and of Gladstone, since each was prime minister during exactly half of the period covered. In view of Mr. Paul's well-known partisanship outside of the study, the calmness and impartiality with which he apportions praise and blame is most surprising. In criticising Beaconsfield's attitude toward Turkey and especially his refusal to follow Bismarck's secret advice at the Congress of Berlin, that England should acquire Egypt, he might perhaps have emphasized more fully the fact that the premier was in line with the old Palmerstonian Crimean War traditions. It is also rather unfair to blame him for not foreseeing the failure of dual control by England and France, when that control had not yet been definitely established. At the same time there is no doubt much truth in the sarcastic remark that "he could not allege moral scruples for obvious reasons." Gladstone's weak and vacillating policy in Egypt and the Soudan is condemned even more decidedly, although the tone is on the whole rather

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that of the sympathetic apologist. The account of the Gordon tragedy, which is based largely on Morley's *Life of Gladstone*, Wingate's *Mahdiism and the Egyptian Soudan*, and Gordon's *Journals*, is very dramatic, and due weight is given to its influence in weakening Gladstone's hold upon the affections of the English people. Lord Edmond Fitzmaurice's *Life of Lord Granville* (two volumes, 1905), must have appeared too late for use. It throws considerable new light upon the question and helps to make out a better case for the government.

The Irish question naturally takes up considerable space in both of these volumes. The report of the Bessborough commission, the Land Act of 1881, the Phoenix Park murders and the two Home Rule bills are treated in detail with a pronounced leaning toward the Liberal point of view. Parnell is, of course, the central figure, but Mr. Paul, in common with Morley, O'Brien and Bryce, has failed to explain satisfactorily the secret of his influence over the Irish people. If he was utterly lacking in the faculty of constructive statesmanship (vol. v, p. 196; *cf.* Morley's *Gladstone*, vol. iii, p. 304), what name is to be applied to that ability which enabled him to harmonize the constitutional and revolutionary agitations, to tame the Fenians, to gain the confidence of Irishmen in America, and to balance the two British parties against each other and compel one of them to accept the main principle of the Irish programme? The Carnarvon-Parnell interview and Lord Salisbury's Newport speech are made the basis of a charge that Salisbury went much further than Gladstone in his efforts to secure political assistance from Ireland in 1885. As Mr. Paul very happily expresses it, if he "was not bidding for the Irish vote, he was behaving with unaccountable eccentricity." Parnell either believed that he was sincere or thought that he was more amenable to argument than Gladstone, for he issued instructions to Irishmen in England to vote for Conservative candidates (vol. v, pp. 15–18). After the elections were over and it was clear that even through a coalition with the Nationalists his party could not form a government, Salisbury's views changed, and in the St. James's Hall speech, May 15, 1886, he strongly urged the adoption of a policy of coercion. He "seldom, if ever, troubled himself to vindicate his own consistency" (vol. v, p. 62). Those who impute Gladstone's advocacy of Home Rule to a desire to secure the Irish vote must credit him with very little political sagacity, because, if his original plan had succeeded, there would have been no Irish vote at Westminster to be secured. His reluctant change of front in 1893 on this question of imperial representation Mr. Paul regards as a serious tactical blunder.

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After the failure of Home Rule the Conservatives were kept in office by Liberal votes. The reactionary Toryism of Lord Salisbury was in large measure neutralized by the influence of those who followed Lord Hartington and Mr. Chamberlain. The result is seen in a series of reform measures, dealing with local government, free education, the Irish land question, and factory and sanitary problems. Too long a lease of power, however, was not beneficial. The coalition in time began to disregard public opinion. It favored the church in educational matters, the brewers in the licensing of public houses, and the South African mining interests in the settlement of the Chinese labor question. Hence the political landslide of 1906. The capacity for distinguishing between national and local politics which the English people have shown since the passage of the Local Government Act of 1888 is calculated to arouse mingled feelings of admiration and envy among advocates of municipal reform in the United States. During the long period of Liberal depression, the Progressives maintained their supremacy in the London County Council and in most of the other large urban boards of control, and yet, curiously enough, in the local elections which followed the Conservative defeat in 1906 the Moderates were almost uniformly successful.

Mr. Paul has his fads. The most notable, perhaps, is his fondness for ecclesiastical disputation. He fairly revels in the numerous quarrels between Ritualists and Evangelicals, and it would be difficult to find a more lucid or a more readable account of them. He is broad enough —or, some would say, perverse enough—always to sympathize with those who are struggling against the established order of things. Of one of the most distinguished opponents of the High Church movement he says: "Instead of Lord Penzance putting down Ritualism, it began to look as if Ritualism would put down Lord Penzance" (vol. iv, 354). Among the author's favorites was the tireless Mr. Bradlaugh, whose aggressive atheism so often tried the patience of the government and the House of Commons.

In conclusion, it may be said that the work as a whole possesses many excellent qualities, and it will prove very useful to future students of the period, but it is open to some serious criticisms. The author is not sufficiently familiar with continental affairs, and his ignorance of American history is colossal. Some evidence on this latter point was adduced in a review of the first two volumes in this QUARTERLY (September, 1904, vol. xix, pp. 499, 500). In one of the volumes now under review we read "The American precedent, of which Unionists made so much, did not really serve them, because the Southern States

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might always have had what Ireland wanted and recovered their autonomy after the war" (vol. v, p. 59). This is ambiguous, to say the least. It is questionable, again, whether the Irish vote was the predominant factor in inducing the United States Senate to reject the fisheries treaty of 1887 (vol. v, pp. 117, 118).

A second criticism has already been indicated, namely, the lack of philosophical insight, the failure to trace the development of fundamental principles. In this respect Mr. Paul falls far below Sir Spencer Walpole, his chief competitor. On the other hand, he avoids Walpole's mistake of losing himself in the intricate details of continental politics. In the later volumes of both writers, the influence of Morley's *Gladstone* is very evident. All three are Liberals, all have been more or less active in politics, and all are frankly partisan in their point of view. It is unfortunate that there is not more Conservative literature in the same field, for work of this sort will establish traditions which will help to determine the bias of later writers. It is to be hoped that the long-expected biography of Lord Beaconsfield will soon appear.

W. Roy Smith.

Bryn Mawr College.

Henry Sidgwick. A Memoir by A. S(idgwick) and E(leanor) M. S(idgwick). Landon and New York. The Macmillan Company, 1906.—ix, 639 pp.

To a leisurely reader who finds pleasure in weighty matter for meditative reflection, furnished in a discursive, sometimes scrappy, manner, this biography of one of the greatest of England's recent ethical teachers will make many appeals. It gives a reflected picture of the intellectual changes in British thought from 1860 to 1900 (the bibliography of Sidgwick's articles, given in an appendix, covers these forty years). The reflection is through the intellectual atmosphere of the University of Cambridge; that it comes with so little refraction is due to the peculiarly transparent medium of Sidgwick's own mind. It begins with the University still dominated by traditional theology, while the younger, more open minds were tremendously subjected to the influence of Mill upon one side, and tremendously stirred, upon the other, by the application of philosophical and historical criticism to the documents and dogmas of Christian theology. It continues through the emancipation of the University and cultured thought in general, to the reaction against liberalism in politics and economics and against agnosticism in theology and morals. To some it is this unintended record of the course of intellectual development of an important generation which will be most interesting.

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Others will be interested in the more intimate and psychological portrayal of the development of individual attitudes and beliefs. There is nothing of the "introspective" in the morbid and emotional sense either in Sidgwick's own make-up or in this volume. There is nothing of that romantic egoism, that interest in the inner drama of one's own consciousness, which attracts—or repels—say in such a record as Amiel's *Journal*. But Sidgwick involved himself and his own ideas and beliefs to an extraordinary degree in his unusual power and habit of criticism. His self-criticism is as acute as his criticism of systems of philosophy and morals; indeed it is, to an extent to which no parallel occurs to me, a part of the same criticism. It is the record of a mind whose methods of intellectual analysis were always at war with its emotional desires. With more than usual ardor Sidgwick wished to be an optimistic, personal theist, but he never could find evidence, external or philosophical, to justify yielding to the desire, and his conscience as a philosopher forbade him to do so. The result is well expressed in his comments upon a distinctly unsympathetic criticism of his teaching career passed upon him by Professor Alfred Marshall; and the entire absence of any shade of resentment on Sidgwick's part, and his endeavor to analyze Marshall's words, to get the exact amount of truth contained in them, are eminently characteristic:

> I, however, am not unhappy; for Destiny, which bestowed on me the dubious gift of this *vue d'ensemble*, also gave me richly all external sources of happiness—friends, a wife, congenial occupation, freedom from material cares—but feeling that the deepest truth I have to tell is by no means "good tidings," I naturally shrink from exercising on others the personal influence which would make them resemble me, as much as men more optimistic and prophetic naturally aim at exercising such influence. Hence as a teacher I instinctively desire to limit my teaching to those whose bent or deliberate choice it is to search after ultimate truth. . . I would not, if I could, and I could not if I would, say anything which would make philosophy, my philosophy, popular.

A third point of view from which the volume is amply suggestive is the incidental insights it affords into various practical movements with which Sidgwick was more or less directly concerned. He was always interested in politics in the practical sense of that term, and his connection, through marriage, with Balfour naturally gave him much opportunity for comments on English politics. It is interesting to find him, in the early sixties, writing: "I seem to see, as clear as if it was in history, the long Conservative reaction that awaits us when the Whig party have vanished, and I also see the shock menaced by the Radical opposition when they have sufficiently agitated the country." Those

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interested in the history of university reform, both of administrative matters and of the curriculum and methods of teaching, will find rich and varied material; though it must be confessed that, as regards changes in the curriculum, Sidgwick fought generally on the losing side. In the nineties the large majority by which the proposition to abolish compulsory Greek was defeated discouraged him, and "he used to point despondingly to the Chinese Mandarins as an example of the effect of clinging to worn-out forms of literary examination"—an attitude which made him interestedly active in the reorganization of the University of London. His part in the promotion of higher education for women, and in the organization of Newnham College was large.

The book is also a mine of information as regards "psychical research," Sidgwick's own interest in ghosts, *etc.*, antedating by many years the formation of the society of which he was a founder. It is again characteristic of the candor of his intelligence that, while of the greatest disposition in the world to find empirical evidence for the reality of immortality and while frequently on the verge, apparently, of finding what he wanted, he never got beyond the point of a hopeful scepticism. His interest was not merely personal, but philosophical. In his ethical system, his fundamental postulate was the basic identity of happiness and duty. In this world, however, he found them discrepant. His inability, accordingly, to find proof, either empirical or rational, for the doctrine of immortality, gave him serious scruples about the very bases of his ethical system.

In its larger philosophical features, Sidgwick is an exponent of one of the most characteristic features of recent thought. He combined the scientific, inductive and empirical interest with great personal sensitiveness to ideal and spiritual aspirations, and he found himself to the last unable satisfactorily to reconcile the two tendencies. Practically he reflects the inability of the liberalism of the Mill type of the earlier half of the century to hold its own. Judged from results, it was in a state of unstable equilibrium. In part, it moved towards radicalism and socialism; in part—the part with which Sidgwick, though with many misgivings, sympathized—it moved towards conservatism. But above all Sidgwick remains a monument to all that is best in Mill—his simplicity, openmindedness, absolute fairness and sincerity. In the centenary year of Mill's birth, it is worth recalling that the ideas and methods of a man like Henry Sidgwick were largely formed under Mill's influence.

JOHN DEWEY.

COLUMBIA UNIVERSITY.

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The New Far East. By THOMAS F. MILLARD. New York, Charles Scribner's Sons, 1906.—xii, 319 pp.

The recent war in the Far East naturally brought forth a flood of literature in many languages. Much of what then appeared in English was so pro-Japanese in its tone that its critical value suffered seriously. To-day times have changed. For various reasons, there has been something of a reaction, at least in the United States, and it is possible to criticise Japan, even severely, without provoking the wrath of an incredulous public. Mr. Millard's last work is written a little too much in the spirit of a man who feels that he is tilting against generally accepted opinions, but his volume is none the less an excellent one, indeed one of the most enlightening we have on the present Far Eastern situation. It is not deliberate hostility to a nation about which people in the United States have been so enthusiastic, but the necessity of destroying certain American illusions, which makes the author so aggressive in some of his remarks about Japanese policy. In general, his information appears exact, his judgment sound, and his reasoning sober and convincing. The whole book shows thought as well as power of observation. We may note particularly what the writer has to say of the influence of English and Japanese press agencies on the news that we get from the East, his warnings about the dangers that threaten American commerce, the now familiar tale of the practical annexation of Korea, his account of the boycott in China, his carefully reasoned disbelief in any startling economic development of Japan. While we may not always agree with his conclusions, his views are worth considering carefully. Here is an example:

There are two possible checks upon a Japanese policy of political aggression and unfair commercial manipulation in Eastern Asia. One is the opposition some of the Western powers may exert, and the other is inherent in China herself. In the beginning the former must be depended upon for tangible results; but in the long run the latter, should China be permitted to pursue a normal internal development, will be the decisive factor. It is difficult to conceive how Japan, with scanty natural resources, will be able to industrially and commercially overtop a country like China, upon which nature has lavished her favors, and where an intelligent, capable and industrious people are ever ready to apply their activities. Japan must, in any extensive industrial development, draw the greater part of her raw materials from abroad; and any hope for Japanese industrial supremacy in the Far East must be based on a presumption that she can excel her great continental neighbor in workmanship. There is, to my mind, little solid foundation for such a presumption. I am inclined to think that the

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Chinese are not only quite equal to the Japanese in industrial cleverness, but in some respects are superior. What reason is there, then, to warrant the opinion that in a prolonged industrial and commercial struggle China, with a land of unsurpassed fertility and vast extent, with undeveloped mineral resources of incalculable variety and value, with willing and efficient labor in any quantity, and with immense capital of her own will be distanced by a competitor like Japan?

In searching for an answer to this question, one is led, inevitably, to the conclusion that only the application of political pressure in some form can bring about such a result. And here we find, in a nutshell, the theorem upon which a majority of foreign policies in the Far East are founded; and which supplies vitality to the "sphere of influence" doctrine [p. 281].

ARCHIBALD CARY COOLIDGE.

PARIS, FRANCE.

The Practice of Diplomacy, as illustrated in the Foreign Relations of the United States. By JOHN W. FOSTER. Boston, Houghton, Mifflin and Co., 1906—401 pp.

This work, Mr. Foster tells us, is designed as a companion volume and complement of his *Century of American Diplomacy*. It is intended primarily "to set forth the part taken by American diplomatists in the elevation and purification of diplomacy," and, secondarily, "to give in popular form the rules and procedure of diplomatic intercourse." It consists of eighteen essays on such subjects as the utility of the diplomatic service; the rank, appointment, reception, duties, immunities and dress of diplomatic representatives; the consular service; the negotiation, ratification and interpretation of treaties; arbitration; international claims, *etc.* As a manual for the use of students, and for the purposes of the general reader, Mr. Foster's book has some conspicuous merits, among which may be noted methodical treatment, accuracy and conciseness of statement and an entertaining literary style. It shows an intimacy of knowledge such as comes only from large experience in diplomatic affairs and is abundantly illustrated with incidents and episodes of noted diplomatic careers. For the benefit of students the author has furnished numerous citations of authorities and at the end of the book there is a brief bibliography.

Mr. Foster's point of view as regards the diplomatic service seems to be that of an old-fashioned democrat. He disapproves the act of Congress which created the ambassadorial rank and says it would never have passed had there been any discussion of the measure. His objections to the new rank are, first, that it is not supported by any commensurate increase of salary, and second, that the reciprocal reception

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of foreign ambassadors has meant the admission to our American society of what Secretary Bayard called a "kind of monarchical class, ill befitting our plain democratic institutions." This class, Mr. Foster argues, is a "disturbing element," and he maintains that the results which have attended the reception of European ambassadors into Washington society confirm the truth of his statement. For the embarrassments which our ministers suffered abroad, the remedy was not, he maintains, in "servilely following European practice" but in leading a movement for the abolition of all rank in the diplomatic service (p. 26). Mr. Foster evidently overestimates the influence of American example on European public opinion. He should remember that the innovation set by the American government as regards diplomatic costume has had no effect upon European practice. The radical policy which he favors with regard to diplomatic rank would have been equally futile, and the embarrassments which led to the act of 1892 would doubtless have continued indefinitely and grown more serious each year. His own account of Mr. Leishman's experiences at Constantinople, for example, shows how urgent was the necessity for the elevation of his rank to that enjoyed by his European colleagues.

Mr. Foster raises the questions whether the style of living of ambassadors and the demands made upon them have not exceeded the proper bounds and whether it is not unbecoming for our democratic representatives "to seek to rival the representatives of royalty in an ostentatious and extravagant display of living" (p. 99). Too much importance, he maintains, is attached to social display in the diplomatic service (p. 100), although he admits that "dining" is an indispensable part of successful diplomacy (p. 115). The matter of diplomatic costume, he properly observes, has been a subject of correspondence and discussion far beyond its intrinsic importance (p. 130). He favors national provision for suitable residences for our ministers abroad, and he points out the inconsistency between the illiberal policy of Congress toward the diplomatic service and its extravagance in authorizing the construction of "two commodious and sumptuous palaces" for its own use (p. 102).

Mr. Foster refers to the "summary and unusual" manner in which the ambassador to Vienna was recently recalled, without making any comment on the unusual language employed in the dispatch terminating the mission—language which seems to imply that the president regards an ambassador as his personal representative. It would be interesting to know Mr. Foster's opinion of this new view of the relation between an American ambassador and his government.

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There is little to criticise in the book either as regards the point of view or the content. That the author turns from the discussion of diplomatic duties in chapter five to argue, through seven pages, the question whether the term "United States" should be followed by a plural or a singular verb is one of the few instances in which want of judgment is evident. The *modus vivendi* might be mentioned as one of the forms of international agreement (pp. 245–247), and in this connection the distinction between treaties and conventions might well have been explained. The discussion of the Hague International Commission of Inquiry (p. 357) might have been illustrated by a reference to the settlement of the North Sea incident of 1904. The definition given of a protocol (p. 246) does not conform to the popular use of the term. "Livingstone" (p. 99) should be spelled "Livingston."

J. W. GARNER.

UNIVERSITY OF ILLINOIS.

Four Centuries of the Panama Canal. By W. F. JOHNSON. New York, Henry Holt and Company, 1907.—xxi, 461 pp.

The author of this work has shown commendable industry. Beginning with the discovery of America, he traces the progress of the project of an interoceanic canal from its inception down to the recent decision as to the type of the canal to be built across the Isthmus of Panama. He treats of matters historical, political and hygienic. One-third of the book is devoted to the history of canal enterprises that preceded the revolution at Panama of November 3, 1903. The remaining two-thirds cover the Panama revolution and what has since occurred. The author is a staunch supporter of the administration at Washington in all that it has done and in all that it proposes to do, but not in any dogmatic sense. He states fairly the position of the opposition and gives reasons for his conclusions.

In matters having a legal or semi-legal character, the author is not at his best. His statement of the contents or purport of treaties and state papers is not always accurate. He speaks of the treaty of 1846 with New Granada as having secured to the United States "the exclusive right of transit across the Isthmus of Panama, including all routes in the country between the Chiriqui Lagoon and the Atrato River" (p. 57). This statement is the more strange in view of the fact that the author prints, as an appendix, the pertinent provisions from the treaty in question, which show that it conferred no exclusive rights of transit but merely engaged that "the right of way or transit" on any modes of communication, present or future, should be "open and free

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to the Government and citizens of the United States." No exclusive privilege was stipulated, intended or given, unless perhaps in respect of belligerent uses. Following up this error, the author not unnaturally represents the provision in Hise's unratified treaty for the exclusive construction of a Nicaragua canal by the United States or its citizens as having been based on the precedent of 1846 (p. 58). His account of the Clayton-Bulwer treaty is decidedly unfavorable to that instrument. As an advocate of American control of the canal, he condemns the principle of that treaty; but, unlike Keasbey, who also advocated American control, he fails to appreciate the good results which the treaty was made to accomplish. The Clayton-Bulwer treaty is, like other public instruments, to be judged not merely by the text, but by the circumstances of its origin and its ultimate effects. The same thing may be said of Great Britain's Central American treaties of 1860. The author's view of them is more unfavorable than the history of the transaction warrants.

J. B. MOORE.

The Purchase of Florida: Its History and Diplomacy. By HUBERT BRUCE FULLER. Cleveland, The Burrows Brothers Company, 1906.—399 pp. and maps.

In a volume of more than three hundred pages of text and several more of documents Mr. Fuller has told the story of how the United States rounded out her natural boundary on the southeast. In order to make clear the story of the purchase, the author has thought it necessary to begin at the beginning; he therefore gives a summary of Florida history from the discovery to our treaty of peace with England, in which were sown the seeds of a dispute with Spain. The story of that dispute is then taken up, and the details of our troubles with Spain and England over Florida are given *in extenso* from 1783 until the final acquisition of the territory in 1821.

The book shows evidence of pretty thorough research; but it ought not to be necessary, at this late day, to remind an investigator that the historian—and this volume will appeal to the historian rather than to the general reader—demands foot-note references to sources and authorities. Such references are too sparingly given. In some cases they are lacking where they are particularly desirable. For example, Mr. Fuller passes over the vexed question of the northern boundary of Florida by stating that it was moved up to 32° 28′ in 1767 by the commission of Governor Elliott. He gives no authority for this statement, but probably bases it on a number of commissions mentioned in the American

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State Papers. These were collated by our representative in England, when we were engaged in a dispute over the boundary, but the list itself raises a doubt as to its completeness. The change of boundary appears to have been first made in the commission to Governor Johnstone, dated June 6, 1764.[1] This was done in response to a petition of the Board of Trade.[2]

The career of Andrew Jackson in Florida is given in detail and without palliation. Here, however, the reader may be pardoned for inquiring whether the author has simply followed Sumner's account in his biography of Jackson or has drawn his material from the same sources as those used by Sumner. The close resemblance between some of their sentences leaves a presumption in favor of the former supposition. Let the reader compare pages 246 and 251 of Fuller with pages 71 and 74 of Sumner and draw his own conclusion. Neither gives any authority for the statement that diplomatic negotiations were necessary to set aside Arbuthnot's interpretation of the treaty of Ghent, nor has the present writer been able to find any. He does not deny that such authority exists, but all the evidence he has found indicates that the negotiations never went beyond oral communications, which revealed the fact that the British government put no construction on the treaty different from our own.[3]

It can hardly be very pleasant for an author to find that the publishers have inserted a catalogue of their publications in the back of his book, even though they range in variety from a Boone Bibliography to the Rubaiyat of Omar Khayyam.

DAVID Y. THOMAS.

UNIVERSITY OF FLORIDA.

A Political History of the State of New York. By DE ALVA STANWOOD ALEXANDER. New York, Henry Holt and Company, 1906. Two volumes: viii, 405; iv, 444 pp.

Oliver Wolcott, a member of Washington's cabinet, once declared that New York politics was a labyrinth of wheels within wheels, understood only by the managers; and long afterward Horace Greeley felt lost among the "zig-zag wavering lines and uncouth political designations" of his time. Even to-day the ways of many of our distinguished politicians are not entirely clear to the most astute observer of public

[1] See Commons Journal, vol. 39, p. 174.

[2] See Public Domain, 108; American State Papers, Public Lands, I, 57, 67.

[3] Foreign Relations, IV, 552 *et seq.*

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affairs. Nevertheless, Mr. Alexander, who by the way is no novice in politics, proposes to unravel this tangled political story from the formation of the first state constitution down to the year 1896; and two volumes bringing the account to the opening of the civil war have now appeared.

The author's method is determined by his conception of history. At the very outset he commits himself to the feudal doctrine of Carlyle, that the history of a state or nation is largely the history of a few leading men; and this view has dominated the selection and arrangement of materials throughout. The personalities of the striking figures of each campaign overshadow the issues having their roots in social and economic interests, although it would not be fair to say that the latter are entirely neglected. The volumes are based principally upon the biographies, letters and papers of distinguished men in the state of New York. To Clinton's coalition with Van Buren and to the relation between Seward and Weed as much space is given as to the third constitutional convention; while the rivalries and exploits of Hamilton, Burr, Jay, Tompkins, the Clintons and Livingstons bulk as largely in the pages as those of Hotspur, Lancaster, York and Warwick in the histories of England during the fifteenth century.

The first volume opens with a brief account of the process by which the colony was transformed into a state and closes with the organization of the Whig opposition to President Jackson. It contains thirty-five chapters, treating the political history in the order of the campaigns, characterizing the principal leaders in each and tracing their respective fortunes. The first real political campaign in the state of New York is placed by our author in the year 1792; and his description of it should encourage those who are inclined to think that we have fallen of late on especially evil days. "Seldom has an election been contested with such prodigality of partisan fury. The rhetoric of abuse was vigorous and unrestrained; the campaign lie active and ingenious; the arraignment of class against class sedulous and adroit; and the excitement most violent and memorable." If the remaining campaigns down to 1832 did not all follow this rather unpromising precedent, they were by no means so idyllic as those who are continually reminding us of the virtues of our fathers would have us suppose.

Mr. Alexander's second volume continues the story to the early days of 1861, and in it he is compelled to write the history of national politics in New York. In this period candidates for the governorship and the high places in the state are looking toward the White House and speaking in tones that are to be heard in the South and West. National

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issues and party machinery control local politics in an ever-increasing degree; gubernatorial contests are swallowed up in presidential campaigns; and members of the old dominant families give way to leaders more national in character, though less patrician in origin. So prominent is the feature of national politics in the second volume that almost one-half of it is devoted to Seward's bid for the presidency, Greeley's political influence, the Chicago convention, and the inauguration of Lincoln's administration.

In spite of a certain monotony which pervades the author's numerous character sketches, his style has decided merits; in vigor and fluency it far outrivals the older but in many respects more substantial work of Jabez Hammond. The characterizations of men are clearly designed to be eminently fair, although the reader finds little difficulty in discovering the author's sympathies. The statements of facts are usually careful, but occasional expressions are open to question. Mr. Alexander accepts too implicitly (vol. i, p. 116) Henry Adams's sweeping criticisms of Clinton's civil service policy.[1] It does not seem entirely correct to say that Jefferson's party was "united in principle" in 1800 (vol. i, p. 97). The causes of the war of 1812 were far deeper than the question of the impressment of seamen (vol. i, p. 162). One may query whether the evils of New York City politics which Van Buren prophesied in 1821 are to be ascribed to universal suffrage (vol. 1, p. 303). It appears slightly misleading to say that there is comparatively little in the *Federalist* about the federal judiciary, in view of the luminous discussions of that branch of the government contained in numbers 47, 66, 75, 77, 78, 80 and 81. These and other minor points of criticism which might be raised do not impair the usefulness of the volumes to that general public for which they are written.

CHARLES A. BEARD.

The Writings of Samuel Adams. Collected and edited by HARRY ALONZO CUSHING. New York, G. P. Putnam's Sons, 1904, 1906.—Two volumes: 447, 454 pp.

At the present time the need for a critical edition of the writings of Samuel Adams is a fact beyond doubt. The productions of his pen were among the most powerful and persistently active forces that brought about the American Revolution. Adams was a Puritan set down in the middle of the eighteenth century; or, speaking with more

[1] Mr. Howard McBain, in a forthcoming monograph on the politics of this period, will throw new light on the early days of civil service in New York State.

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exact regard to the truth, he was an important connecting link between the New England Puritanism of the seventeenth century and that assertion of separatist principles which led to the Declaration of Independence. His mind and temper were naturally attuned to the spirit of the Puritan, while he had absorbed just enough of kindred eighteenth-century philosophy to give a modern and up-to-date flavor to his style and views.

He wrote easily, clearly and voluminously; in legislative reports, in instructions of the Boston town meeting, in circular letters to the other colonies, in controversies over constitutional points with the governors, in petitions and protests to the home government, in elaborate statements of principles to the agents of Massachusetts resident in England, in trenchant newspaper articles. His pen was busy upon all the subjects of the day. All the acts of the Parliament and of the British executive which gave offence to the colonists were subjected to his criticism. He was a strong supporter of the policy of commercial non-intercourse. The extension of the jurisdiction of the admiralty courts was the object of his frequent attacks. Like his Puritan ancestors, he never consciously admitted the right of Parliament to legislate for the colonies. He was an advocate of the policy of requisition instead of taxation. His pen traced the disastrous results which followed the stationing of regular troops in Boston; and after the so-called Boston "massacre" he analysed in the public prints all the evidence bearing on the case, with a view of minimizing the fault of the citizens. In connection with these events his mind conceived the idea that the governor was at fault because he had misrepresented the attitude of the colonists in his letters to the British ministers and others. Bernard and Hutchinson therefore became the objects of his merciless criticisms, until they were forced to leave the province. The commissioners of the customs were objects of his equally virulent attacks. He insisted on having the alleged incriminating letters of the governors and others returned and published in Massachusetts. When, later, the British government undertook to provide salaries for the governors and judges of Massachusetts, Adams's pen found new material upon which to work, and the system of committees of correspondence among the towns of that province soon took shape.

Adams was not the most original man among the revolutionary leaders. Otis had suggested most or all of the ideas involved in the controversy by or before the time when Adams became an active participant. Indeed, the stock of ideas which was exploited by the patriots was derived from Locke or was suggested by the obvious conditions

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under which the colonies had developed. Adams, in fact, was not primarily a theorist. He was a politician of a very practical sort. The theories of which he made use were employed as a background or setting for his measures of policy. They appear as introductions or preambles to state papers which were intended to be followed by action. They are not elaborated, but stated in terse language as accepted formulas or axioms. They embodied the principles of a radical—not a stump speaker or agitator of the vulgar sort, but an effective editorial writer, who put into words the thoughts which the majorities in the Boston town meeting and the Massachusetts House of Representatives were seeking to express. While some regard was paid to questions as they presented themselves to the people of the other colonies, the point of view which he naturally chose was that of Massachusetts.

Thoughts of the character thus hastily sketched will be found in abundance in Dr. Cushing's volumes, so far as Adams had given expression to them prior to March, 1773. Search for the material has been made by the editor in all available repositories. Full advantage has been taken of the work of earlier writers and editors. Special study had previously made Dr. Cushing familiar with the sources of revolutionary history in Massachusetts. The special problems in criticism which it was necessary for him to meet arose from the fact that Adams was frequently associated on committees with other Massachusetts leaders in the drafting of resolutions and manifestoes, and that he wrote for the newspapers under a variety of assumed names. But the difficulty under the former head is lessened when one reflects that among those leaders the only ones who were likely on such occasions to compete with Samuel Adams as penmen for the committees or legislative bodies were John Adams and Otis. But prior to the meeting of the Continental Congress the official coöperation of the two Adamses was slight, and it is not difficult for one to distinguish their productions. In the earlier years of his career Samuel Adams and Otis frequently served together on committees, and it is not always so easy to determine which of the two wrote a given manifesto or whether it was not their joint production. In such a case style alone would not be a safe guide. For example, the letter of December 20, 1765, to Dennys De Berdt (vol. i, pp. 61–71) contains expressions and terms of thought which appear in the writings of Otis. But Wells, in his *Life and Public Services of Adams*, gives a good reason for attributing it to the latter. It is that a draft of the letter is among Adams's papers. Fortunately this is true in the case of most of the official writings which have commonly been attributed to him. It is also true in the case of many of

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his contributions to the newspapers. Copies of old newspapers also exist which furnish decisive evidence in the case of articles which otherwise could not be safely attributed to him. With these helps the work of the editor is materially lightened.

In his notes Dr. Cushing has in all cases cited the sources whence his material has been derived, and where divergent opinions respecting authorship have been expressed he has directed the reader to those also. In the case of a few pieces there will probably always be room for a difference of opinion. Occasionally others may have shared in the act of composition. But there can be no reasonable doubt that we have in these volumes a substantially accurate collection of the writings of Samuel Adams during the first ten years of his public career. Manuscript evidence, tradition and style agree in support of this opinion. By thus carefully collecting and editing these writings, Dr. Cushing has rendered a distinct and meritorious service to American history. The appearance of his two concluding volumes will be awaited with interest.

HERBERT L. OSGOOD.

The Electoral System in the United States. By J. HAMPDEN DOUGHERTY. New York, G. P. Putnam's Sons, 1906.—vi, 425 pp.

Mr. Dougherty's book gives an historical résumé of the workings of the system of electing presidents and vice-presidents in the United States, an exposition of its defects, an account of the bills and amendments proposed and of the laws enacted to remedy these defects, and a remedy suggested by the author. The greater part of the book is, not unnaturally, devoted to the election of 1876 and to a discussion of the questions accentuated, if not first raised, by that event. Seventy-five pages are devoted to a criticism of the electoral system and the law of presidential succession, and forty-five to the author's proposed remedy.

The *Federalist* pointed to the electoral system as the most nearly perfect part of the constitution. Merely to enumerate the perplexing questions that have been raised by it, many of which are still unsettled, and the defects, as laid bare by Mr. Dougherty, would weary the loquacious Fabius of Horace, but it is worth while to mention the most important.

(1) The legal right of the elector to exercise his own judgment in casting his ballot is undoubted; to exercise it would be revolutionary, but there is still the possibility that it may be done.—(2) The

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elector himself is an anomaly. He is not a federal officer; is he an officer of the state? Judge Campbell was not sure that, in Evart's conception, the elector was even a human being.—(3) When electors fail to observe due forms of law, what is the effect of such failure on their votes? In 1801 Jefferson counted for himself votes which had not been signed by the electors; without these votes he might possibly have failed of election (p. 35). A more serious defect is the failure to vote on the day prescribed. In 1809 Kentucky lost one vote for this reason. In 1857 a storm was raised over the question of counting the vote of Wisconsin, though the failure of its electors to ballot on the day appointed was due to a storm of a different kind. The result would not have been changed and the question was allowed to pass unsettled (p. 52).—(4) The general question of eligibility presents itself under several different phases. (*a*) What is the effect of the appointment of an elector ineligible under the constitution? Does he become an elector *de facto*? After his vote has been cast, can it be declared illegal and void? (*b*) When is the ineligibility operative, on the day of his appointment or on the day he votes, or on both? (*c*) In case the question of eligibility arises, who shall decide it? The mandate of the constitution is explicit; shall the states be judges of their own obedience? (*d*) If an ineligible candidate receives a majority of the votes, does this create a vacancy in the electoral college to be filled according to law, or does the state lose that vote?

Another group of questions relates to the rights of the states themselves.—(5) When does a state become entitled to vote? Indiana was formally admitted (1816) after the election but before the meeting of the electors, and its vote was counted. Missouri (1821) and Michigan (1837) were not admitted until after the electors had voted, and in both of these cases the alternative count was resorted to, their votes not changing the result.—(6) What is the consequence of an irregularity in the appointment of electors? In 1796 the legislature of Vermont chose electors without first passing a law prescribing the manner of their appointment.—(7) What is irregularity of appointment? The federal constitution allows the legislature to determine the method. Does this render a legislature superior to the mandate of the state constitution—the very constitution to which it owes its existence? In 1876 the legislature of South Carolina had failed to provide a registration law, as commanded by the constitution, but the Electoral Commission held that this did not invalidate the election (p. 205).—(8) What is the effect of irregularity in certification? In 1873 the vote of Arkansas was rejected when signed only by the secretary of state, but

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one vote of Mississippi and all the votes of Texas were counted under like circumstances.—(9) By an act of 1845 Congress allows the states to authorize their electors to fill vacancies in the college. Has Congress power to grant such authority to the states? In 1905 the governor of Arkansas appointed a man to fill a vacancy. Whether he was authorized by law to do so the writer cannot say.

Doubts respecting the powers and duties of Congress are numerous, most of them arising from that inscrutable clause, "and the votes shall then be counted."—(10) Who shall count—the president of the Senate or the two houses? or is this a *casus omissus?* In practice the two houses have counted.—(11) What does the term "count" mean? Does it mean mere enumeration, or does it clothe Congress with power to look into the regularity and legality of the votes given? In case the two houses disagree, what will be the result?—(12) Can a governor's certificate be impeached? The Electoral Commission decided that it could be impeached when not in harmony with the results found by the person or persons authorized to canvass the vote (pp. 156, 192).—(13) In 1877 it was decided that Congress could not go behind the certificates of the body clothed by the state with authority to declare the results of the election (p. 159).—(14) Can Congress inquire into the legality of such returning boards? The Commission refused to do so in 1877 (p. 181).—(15) In case of double returns, how shall it be determined which is legal? In 1877 the return coming from the government recognized by the political departments at Washington was accepted, though the president who was thus elected afterwards recognized the government whose return was rejected.

The list of doubtful questions is not yet exhausted—(16) If no candidate has received a majority of the electoral votes, the election is thrown into the House. May the House, under the electoral law of 1887, produce this situation simply by rejecting votes?—(17) The dispute may be prolonged until March 4. We came perilously near this in 1877.—(18) It is conceivable, though not probable, that four candidates, highest in the list, may have an equal number of votes. As the House must choose between the three highest, how can it proceed when there are four?—The defects of the electoral law of 1887 have been discussed by other writers and need not detain us here.

Mr. Dougherty calls attention, further, to a number of defects in the constitutional and statutory provisions for presidential succession, both during the process of election and after election is complete. (1) The prospective president may die after the general election and before the electors meet. For whom shall they vote?—(2) He may die after

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the electors vote and before the count. Shall Congress declare a dead man elected?—(3) He may die after the count and before the inauguration. Will the vice-president-elect take his place?—(4) Both the president-elect and vice-president-elect may die before the inauguration. Will the cabinet officers—possibly of the opposite party—succeed?—(5) What authority shall determine in what inability consists and when it begins and ends?

The foregoing questions, many of them puzzling, are discussed by Mr. Dougherty with penetrating criticism, though sometimes at too great length. Too much space is given to views expressed by statesmen. In the author's opinion the defects are grave enough to condemn the system, though not *in toto*.

After discussing the amendments hitherto proposed in Congress he rejects them and devotes a lengthy chapter to a plan of his own, which involves the amendment of the federal constitution. According to this plan the electoral college is to be abolished. Each state shall be entitled to as many votes for president and vice-president as it has senators and representatives. The presidential electors shall be those qualified to vote for the members of the most (*sic*) numerous branch of the state legislature. The presidential votes of each state shall be divided among the candidates in proportion to the number of popular votes received by them. If two or more receive an equal number of presidential votes, that one shall be president who receives the highest number of popular votes. If there is still a tie, then he who receives the highest number in the greatest number of states shall be president. All contests over the result of the popular election shall be determined by the tribunals of the several states. The defects in the law of presidential succession are provided for in part, and Congress is empowered to provide for the others.

This plan is based on the assumption that the states, as at present, shall decide upon the qualifications of their voters. The author acknowledges that, under the present system, the eligibility of electors is a matter of national concern. The reviewer is of the opinion that the franchise question is of still greater moment, though he is not quite ready to say that the national government shall have full and complete control of it. The determination of the result under the author's plan probably would present fewer difficulties than under the present system; but it is surprising to learn that there "has rarely if ever been a controversy in any commonwealth, except during the reconstruction era, over the election of any state official." No longer ago than 1894 there were such controversies in Alabama and Tennessee, and in 1899 there was such a controversy in Kentucky.

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Mr. Dougherty's plan is further based on the assumption that, in making the choice, the states are to retain the relative weight which they now have. Starting with Burke's maxim that politics have to be adjusted to human nature and not to human reason, he dismisses this feature with the remark that the spirit of compromise must animate twentieth-century deliberations as it did those of 1787 (p. 402). In another place the author praises his plan because it "operates to equalize the ballots of all voters," though the context shows that he means within any one state (p. 369). It may be human nature for John Doe to want more votes than Richard Roe; but is it human nature for Richard Roe to be satisfied with this arrangement, and will he tolerate it forever? Does human nature or human reason call any more loudly for the equalization of all votes within a state than for the equalization of all votes in the United States? Contrasting the votes based upon senatorial representation, it is found that twenty-three states, with a population of thirteen millions, have forty-six votes, while twenty-two states, with a population of sixty millions, have only forty-four. The classical example of extreme contrast is that of Nevada and New York. Under Mr. Dougherty's plan the vote of a citizen of Nevada would still weigh one hundred and seventy-two times as much as the vote of a citizen of New York in that part of the choice based upon senatorial representation. To take states closer together: Is there anything in human nature or human reason to justify giving a like preponderance to a citizen of Delaware over his next-door neighbor in Pennsylvania, from whom he is separated only by an imaginary line?

Under the present social organization there might be some justification for these differences, if the citizens of the small states were more wealthy than those of the large states, but this is notoriously not true. Even under a different social organization inequality of voting power might possibly be justified, if the preponderance of intelligence and political morality was on the side of the small states. At present 13.81 per cent of the potential voters of the twenty-three smaller states are illiterate, while only 10.8 per cent of those in the twenty-two larger states are in the same condition. As for political morality, size appears to have nothing to do with this, as Nevada and New York or Delaware and Pennsylvania can testify.

Mr. Dougherty confesses that his plan will still make minority presidents possible, but adds that so do all other amendments ever proposed. If the electoral college is to be abolished, why not abolish the system? Popular election would make impossible the choice of a man who received fewer votes than his opponent. If it be thought advisable for

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the one chosen to have a clear majority, failures to elect might be avoided by giving the electors preferential votes.

A few words may be devoted to minor criticisms. Typographical errors occur on pages 234 and 282. The index is not altogether satisfactory. For example, neither "disputed," nor "double," nor "return" nor "election," nor "count" is to be found there. Out of 324 references in the index, 284 are names of persons or places. Sometimes the author fails to explain things apparently material to the subject; for example, why the vote of Arkansas was rejected in 1873 while that of Texas was not. A very serious defect is the lack of references to sources, of which there are comparatively few in the entire book.

DAVID Y. THOMAS.

UNIVERSITY OF FLORIDA.

The Election of Senators. By GEORGE H. HAYNES. New York, Henry Holt & Company, 1906.—295 pp.

This book of Professor Haynes is a full and fair discussion of an important question. The manner in which senators should be elected, the evils of the present system, the greater evils that might result from any other system, have been actively debated for many years. The author shows how the provision in reference to the election of senators came originally to be adopted in the constitution, and what have been the practical results of its operation. They have been both good and bad. When one considers the influence that has been exercised by the United States Senate for more than a century and the high character of many of its members, it is impossible to say that the system by which they were chosen has altogether worked ill. When, on the other hand, we consider the delays and scandals that have often attended the choice of senators, and the inferior character of many who have succeeded in obtaining the suffrage of state legislators, we cannot say that the system has been entirely satisfactory.

Professor Haynes has discussed the favorable and unfavorable results in the past, and the advantages and disadvantages which might result from direct election by the people, with great fairness. On the whole it is his opinion that the advantages that might result from a change would exceed the evils that could reasonably be expected. Such, we are inclined to think, is the judgment of the intelligent portion of the community, outside of the Senate Chamber at Washington. Notwithstanding this consensus of opinion, it is, to say the least, unlikely that a constitutional amendment will be adopted changing the manner of

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choosing senators. Conservatism in reference to constitutional amendments has become a marked characteristic of our national life, and is, on the whole, a wholesome one. More probably the history of this question will show another of the political evolutions by which, while the wording of the constitution has remained unchanged, the original intent of the instrument has been so enlarged and modified that its framers would not recognize the modern interpretation.

There is a very analogous instance in the choice of the president. The framers of the constitution thought better results would be obtained if the selection to that great office should be entrusted to men of wisdom and standing, to whom the trust would be confided by their fellow-citizens. The form of the constitution remains, but it is a form only; in reality the people of the republic vote for a president as directly as they vote for a governor.

Similar considerations led to the designation of the state legislatures as the instruments by which United States senators should be chosen. It was argued that the legislatures would have "more sense of character," would make wiser selections, than the people at large. But members of state legislatures have not shown any special fitness for the performance of this important duty. Our present system has left the election of senators to small bodies of politicians, often not of the highest order, and has led to many unsatisfactory results and to many scandals. Not infrequently a state has been left without its full representation in the Senate as a result of factional bickerings. From this probably no great evil results to the country or even to the state, but it is contrary to our theory of government.

Professor Haynes thinks that the character of the Senate has deteriorated, although, as he justly says, this is no argument against the method of election, because it is the same in the present that it was in the past. It is not certain that he is right in his opinion. The reviewer is inclined to believe that the average of membership in the Senate, as well as in the House of Representatives, is quite as high as it was a century ago. But there is little doubt that, whether with or without constitutional amendment, the choice of senators will ultimately be made directly by the people, even though the legislatures nominally exercise the power. The movement in this direction is fully described and clearly analyzed in the book under review. Already in some states the party candidate for senator is selected at the state convention, as are the candidates for other state offices, and in several states the selection is made by a primary, at which all citizens belonging to the political party cast their votes. Legally, the power of a member of the

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legislature to vote as he sees fit is not affected—as, legally, any member of the electoral college has the right to select a candidate for the presidency for whom he will cast his vote—but practically the one question, like the other, is decided by the vote of the people. The member of the legislature who should disregard the choice indicated by the voters of the state would find himself in somewhat the same position as the member of the electoral college who should disregard the known opinion of those who have selected him to do their bidding. And, whether this result is achieved directly or indirectly, there seems good reason to believe it will be advantageous. Popular elections are not an infallible means for selecting the best men for office, but, on the whole, selections made by the entire community are apt to be more satisfactory than those made by a small body of politicians. To the choice of senators, members of the legislature do not bring any special qualifications, and they are specially subjected to political influences and manipulations. Neither system is ideal, but Professor Haynes's conclusions will probably be approved by most of his readers.

JAMES BRECK PERKINS.

WASHINGTON, D. C.

Local Government in Counties, Towns and Villages. By JOHN A. FAIRLIE. New York, The Century Company, 1906.—ix, 272 pp.

This volume, in the "American State Series," is a detailed study within brief compass of the forms and operation of local government in the United States, cities excluded. A section of the volume, nearly one-fifth, is devoted to the historical development of local government in England, in the colonies and in the states. The shires, counties, townships, parishes, towns, plantations, manors and courts are reviewed with desirable clearness. The independence of 1776 wrought no great change or revolution in local government, except that it brought a distinct tendency toward decentralization and an increase of local influence. In the development of the West the institutions of the older parts of the country were naturally imitated and followed, with a notable extension of local elections and, in later years, a marked tendency toward incorporation of cities and villages with a central oversight in administration and a central control.

The second part of the work is given up to a consideration of the county and its government. It is shown that the institution of the county is of most importance in the South and West and of least importance in New England. The varied characteristics of counties in

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different states; their areas and population; the county as an agent in the general political government of the state, in the administration of justice, in the construction of roads, bridges and public works, in the administration of finance, and in its legislative local option powers—in all these aspects the institution of the county is presented to the reader. The functions of the county board of control in the various states are brought into review, in relation to assessment, taxes, expenditures and other public interests. The government of the county as regards justice and police, in probate and criminal business, is briefly set forth, with a description of the duties of the important local officers—the prosecuting attorney, the sheriff, the coroner, the clerk, the treasurer, the assessor and others—a part of the work which it would be well for our public high schools to appropriate and use in the study of civil government.

Coming to the minor divisions, considerable space is devoted to the New England town and the town meeting, the historic "scene of lively and educating debate." A typical call and warrant for a town meeting are reproduced, offering a neat illustration of the source method of study, and showing, what is noticeable throughout Professor Fairlie's book, that the author has gone to the original sources for his material. In the Central states, which contain more than half the population of the country, the townships and school districts, with their respective officers, are briefly treated, as are also the parishes and county districts in the South and West. The special economic and social factors affecting the life of the South, resulting from slavery, war, reconstruction and the presence of the negro population, are given due consideration.

The closing section of the work deals with state supervision in public education, public health, police administration, control of food, water and milk supply, charities and corrections, local finance, and in respect to the regulation of the trades and professions. While the variety in the states is recognized, attention is called to a general tendency toward centralization, if not toward uniformity, in law and practice. The author has evidently made a careful and painstaking study of the constitutions, laws and practices of the states, as well as of many authorities on local government; and he has compacted into comparatively few pages a wealth of information on his subject. Teachers and students of civil government in all parts of the country should find considerable use for the volume.

JAMES A. WOODBURN.

INDIANA UNIVERSITY.

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The Economics of Railroad Construction. By WALTER LORING WEBB. New York, John Wiley and Sons, 1906.—viii, 339 pp.

The Heart of the Railroad Problem. By FRANK PARSONS. Boston, Little, Brown and Company, 1906.—viii, 364 pp.

The Packers, the Private Car Lines and the People. By J. OGDEN ARMOUR. Philadelphia, Henry Altemus Company, 1906.—380 pp.

Professor Webb's book at once brings to mind the standard work on this subject written by Wellington twenty years ago. The new book will hardly supplant the old, for although modern operating and accounting practice has made much of Wellington's illustrative material antiquated, yet his fundamental treatment still stands undisturbed and unsurpassed. Moreover, the condensed character of Mr. Webb's book would hardly lead to its substitution for the more extended treatment given by Wellington. It is designed as a manual of instruction for those engaged in the practical problems of railroad engineering, but it aims at the same time to give an insight into the problems of railroad management and control. With this in mind, Part 1 is devoted to the "Financial and Legal Elements of the Problem," in which an excellent summary is given of railroad statistics, organization, capitalization and valuation, and a chapter on methods of estimating volume of traffic. Part 2 concerns the "Operating Elements of the Problem," including motive power, car construction and operation, track economics and train resistance. Part 3, called the "Physical Elements of the Problem," discusses distance, curvature and grades. The classification of operating expenses in use by the Interstate Commerce Commission is closely followed in the solution of those problems of cost which are of importance to the engineer. In spite of the author's modest assertion that the lawyer or legislator will find in the book little or nothing of use to him, and the implication that the professor of social economics will pass it by, this little manual is well worth a careful reading by all these classes. Particularly will the student and teacher of transportation problems find it of value, for a satisfactory solution of the problems of rate-making must involve an analysis of the engineering features of construction and operation which form the subject of this treatise. In fact it would not be surprising to find the book, because of its brevity of treatment, proving more acceptable to the economist than to the engineer.

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The Heart of the Railroad Problem is, in the mind of Mr. Parsons, the impartial treatment of shippers; and his volume is devoted to a discussion of the many forms of discrimination practiced by railroads. A few of the chapters are historical, but in the main the author is concerned with the abuses of recent years, and he has evidently attempted to provide an exhaustive list. Whether or not he has succeeded in his purpose, he has certainly presented a most effective picture, made up of sixty different forms of discrimination now in use. While he occasionally disturbs the reader's confidence by basing his charges upon rumors and hearsay evidence, after the manner of the newspaper reporter, he relies principally upon official investigations, hearings and reports, and in his handling of this material he shows a thorough familiarity with his subject. His study leads him to the conclusion that discrimination is a necessary accompaniment of private ownership of railroads; and that while the Hepburn Bill, under discussion in Congress when he wrote, might palliate railroad evils, yet the pressure of great private interests would drive the railroads into the practice of favoritism in spite of a commission with rate-fixing powers and in the face of statutory prohibition. He would bring about a greater dominance of the public over the private interest that should lead eventually to public ownership. Most students would agree that the evils of discrimination can never be wholly eliminated by legislation. At present, however, a majority prefer to bear the ills of private ownership that we have, rather than fly to others that we know not of.

Mr. Armour was "roused" by attacks from various quarters into a vigorous defense of the packing industry, in a series of articles for the *Saturday Evening Post* which are now published in book form. While much that he says of the benefits that have come from the organization of the industry and the development of the refrigerator car will command the approval of everyone, the book as a whole is not convincing. It would hardly be worth while, in view of the amount of discussion that has been devoted to this subject during the past two years, to answer Mr. Armour's statements in detail. It may be suggested merely that anyone who has followed the investigations of the Interstate Commerce Commission and other government agencies, or the articles of Mr. Midgeley, will not be led to revise his conclusions by the author's treatment of the private car in its relation to the fruit industry; nor will such a reader find anywhere in this book a satisfactory explanation of the fundamental transportation evil in the meat business—the union of shipper and car-owner in one person with all the discriminating practices resulting therefrom. Again, such assertions as "the dressed beef

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and packing industry is not in the hands of a 'monopoly combine,' never has been in the hands of such a 'combine,' and never will be; it cannot become a monopoly" and the denunciation of those who make such statements as mistaken and malicious agitators "who have an axe to grind but who do not care to come into the open to do it" are somewhat humorous in view of the decree of the United States Supreme Court, in January, 1905, perpetually enjoining the combination known as the "beef trust," and in view of the fact that Mr. Armour and his associates escaped prosecution only because of the "immunity bath" so kindly administered by Judge Humphrey. Mr. Armour's book is interesting merely as an *apologia pro vita sua*.

FRANK HAIGH DIXON.

DARTMOUTH COLLEGE.

An Introduction to the Study of Agricultural Economics. By HENRY C. TAYLOR. New York, The Macmillan Company, 1905.—viii, 327 pp.

This volume is one in the series entitled, *The Citizen's Library of Economics, Politics and Sociology,* edited by Richard T. Ely. We are not told, by either the author or the editor, what is the purpose of this book, but it may be inferred that it was written primarily as a text to be used in the author's own classes in agricultural economics in the University of Wisconsin. On no other theory can a *raison d'être* be found for it.

As a guide to the practical farmer, it will probably achieve no more popularity than did Gossen's *Entwickelung der Gesetze des menschlichen Verkehrs.* As a text, however, Professor Taylor's work fills a need of the time. Whether we agree with the author's rather tenuous theories and laborious mathematical demonstrations or not, we feel that he is following the right track, in applying economic theory to practical agriculture in a special treatise. Agriculture has always occupied a large share of the attention of economists, but the time was ripe for a work on agricultural economics, and there is good reason for thinking that this book will be fruitful of much good.

The reader is constantly made aware that Professor Taylor has wrought with rare patience, industry and intelligence. He shows an extensive knowledge of the literature of general economics and of agriculture, and lays this literature under contribution from Pliny to the Twelfth Census. He even quotes passages from Genesis and the gospel according to St. John. His extensive reading has not prevented inten-

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sive study of particular problems (*e. g.*, rent), in attacking which he shows originality and independence. Unquestionably this book is the product of most careful research and equally careful thinking; and yet the result is not altogether satisfactory. As a text it would seem both too concrete and too abstruse—too much stuffed with statistics and too full of the emptiness of vain theorization, unmitigated by disconcerting facts. For example, in chapter vi the author deduces conclusions which are logically faultless, but, so far as the writer can see, utterly useless except as a reward for the intellectual gymnastics required to reach them. This criticism is not uttered in any spirit of hostility to economic theory; but theorizing, to accomplish any useful end, must deal with the most accurate generalization of facts. In the very nature of things, the facts assumed by the author in this chapter can never be subjected to test, and it is therefore not apparent why anyone should trouble himself about them. The method of experimentation is the only method of determining how intensively a given piece of land should be cultivated at any particular time. "Agricultural arithmetic" of a much simpler sort than that set forth in this work is needed by both farmers and scientific "agriculturists."

The backbone of the book is chapter ix, on "Distribution of Wealth," which contains an interesting and acute discussion of the concept of rent and its relation to the other shares in distribution. In working out his theory of distribution, the author displays originality and analytical power. It is a source of satisfaction to feel that he has achieved his reward; for industry, like virtue, is its own reward. His free use of illustrative graphs will illumine or obscure his reasoning according to the mental attitude of the reader. If we accept the author's assumptions we can find no fault with his conclusions. All agree that there are different grades of land, and farmers varying in capacity; but it is not evident that free competition operates with sufficient force in agriculture to give validity to the conclusions reached. Change of ownership of farms is comparatively rare; and when a change in ownership or tenancy is made, there is almost no opportunity for competition to select by a process of elimination the man who, all things considered, is best adapted to cultivate the particular grade of land transferred.

Overscrupulousness in giving credit for borrowed ideas, facts and phrases is an offence of which few authors are guilty; so we are inclined to approve Professor Taylor's zeal in acknowledging indebtedness, imputing it to him as righteousness.

ROYAL MEEKER.

PRINCETON UNIVERSITY.

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The Principles of Economics, with Applications to Practical Problems. By FRANK A. FETTER. New York, The Century Company, 1904.—xvi, 610 pp.

The practical conditions under which economic study has been pursued in the United States have exercised a marked influence upon the character and progress of American economic thought. This is no less true of the past twenty years than of the present day. The Germanic training of the vigorous group of young thinkers, still happily in their prime, from whom dates the renascence of economic study in the United States in the late seventies and eighties, transmitted the historical influence in exaggerated form. The vast area of our country and the scanty resources of the investigators virtually compelled neglect of economic description and encouraged recourse to historical and local studies. The single-tax agitation, the new importance of the entrepreneur, the extension of corporate organization to industry and the vague menace of socialism directed attention to problems of distribution, and and in so doing stimulated theoretical controversy and sometimes profitless dialectics.

So too, in our own day, the careful observer will surely not hesitate to recognize as a determining influence in the progress—or retardation—of American economic thought, the demands of and the obligations to an ever-increasing body of hungry collegiate students. Institution after institution has expanded its course of somnolent lectures on "social philosophy," given by the college president in the senior spring term, into a systematic drill in economic principles. With heightened interest and growing classes, the extent and variety of economic teaching has increased, and the economic investigator has tended more and more to become the economic teacher. More than this, the embarrassing absence of convenient or adequate manuals has impelled the pedagogue to written exposition, and the teacher of political economy has to an increasing degree developed into the writer of economic textbooks.

This disposition has certainly not been without some good result. The educational process has been facilitated, and precise formulation and compact statement undoubtedly tend to clear thinking and definite concepts. But, like the increasing demand of government service upon the economic fraternity, the immediate result cannot fail to be a diversion of energy from purely scientific activity and a net loss to positive science. Ultimately there may be a larger brood of economists or a better equipment of those drafted off for temporary service, but for the time being there is diminished force and slower pace.

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This is the clearest and strongest impression left on the reviewer's mind by a study of the present volume. Among the active group of young American economists Professor Fetter holds a distinguished position. His thinking is bold, fertile and independent, his reasoning is direct and orderly, and his statement is forcible and attractive. He has made substantial contributions both in acute criticism of orthodox theories and in presentation of new and suggestive concepts, and he is by all reports a stimulating and inspiring teacher.

Manifestly these are qualities which are likely to materialize in one or the other of the two distinct, almost opposed results: (1) a series of real contributions to economic theory or (2) a convenient and workable text-book. What Professor Fetter has already done in the first direction is a safe warrant that the more comprehensive result of his bolder effort would give us something entitled to high respect. On the other hand the evidence at hand would convince even the hardest-hearted publisher that this man can write a serviceable manual.

But it is in trying to combine the two things into a single performance, as Professor Fetter has here done, that some disappointment and more regret come. A vigorous but necessarily imperfect assault upon the accepted ground-work of economic science is not the most useful pedagogical appliance. Nor on the other hand does daring and independent thinking have the fairest play within the inevitable restraint of text-book conventions. The result is, to use a hackneyed figure, a physical mixture and not a chemical compound. We put aside Professor Fetter's volume, embodying as it does so much bold analysis and so much successful teaching experience, in the conviction that before long disassociation will come and that this gifted teacher and investigator will give us in separate form both a convenient manual and a scientific treatise.

JACOB H. HOLLANDER.

JOHNS HOPKINS UNIVERSITY.

Interest and Saving. By E. C. K. GONNER, Brunner Professor of Economic Science in the University of Liverpool. New York, The Macmillan Co., 1906.—xv, 172 pp.

The subject of this book is the relation of the interest rate to the process of saving, the main question being whether the existence of some "rate of interest is or is not an essential condition of the provision of capital in certain quantities" (p. 105). The author believes that the rate of interest is determined by the supply of and demand for

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the existing stock of capital (in the narrow sense in which he understands that word), and is that rate "necessary to apportion the given quantity to those seeking it" (p. 76 *et passim*). The market rate, as thus fixed, acting upon savers according to the marginal principle, imposes upon them different costs (p. 77); that is, some of them would save without the inducement of interest. In answer to the main question, indicated above, the author's principal thesis is about the following: there would not be enough postponement if the savers near the margin were not brought in by the inducement of interest. He regrets that many of the receivers of interest are not marginal, and that they get what he calls a "postponer's rent" (p. 115), but he concludes that there is no help for this.

An analysis of the objects, methods, and motives of saving (chapters 1–3) is followed (chapters 4–9) by the argument as to interest which develops into the thesis stated above. The concluding part is a discussion of the relations of the theory of interest to the theory of distribution, in which is repeatedly emphasized the thought that the relation of interest to capital is very different from the relation of wages to labor, in that the standard of living affects wages but not interest. The practical conclusion drawn is that "the claims of labor . . . have greater force. Capital receives what falls to its lot" (p. 170).

Despite the scholarship of the author and the acuteness of some minor arguments, the book contains little new and that fallacious. The reasons for this are not far to seek; they are the use of a sterile method and of antiquated concepts. The abstraction is of the approved Ricardian super-mundane variety. In nearly two hundred pages there is not one appeal to experience, not one concrete illustration from the business world. Perhaps the tone of this review is due to an unfair comparison. The reviewer came fresh from reading Irving Fisher's *Capital and Income*, a work in the best sense abstract and theoretical, but filled with the knowledge and spirit of actual business life. It was like bidding adieu to a twentieth-century economist, theorizing in the open, to enter the dusty closet of eighteenth-century philosophy.

The concepts employed are those of late vigorously criticized in America and increasingly rejected. Capital appears in the narrow sense of a part of produced goods of various kinds, and yet "homogeneous." Rents appear in bewildering forms, as rents in wages and rents in interest. The rate of interest as a percentage is still contrasted with a rate of wages as the goods making up the standard of living, though the fallacy in this has often been demonstrated. Interest (which is nowhere in the book defined but which seems to mean the rate of interest on

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contractual monetary loans) is apparently not regarded as having any connection with the premium prevailing upon present goods, or with the rate of exchange of present and future incomes. It would be vain to attempt here detailed discussion of ideas and conclusions attained from a point of view so questionable.

It is unfortunate for scholarship that insularity should sterilize such notable talents. It is to be hoped that this is the last attempt that will be made to restudy the theory of interest with no hint of acquaintance with the contributions of Carver, of Clark, of Davenport and of Fisher.

FRANK A. FETTER.

CORNELL UNIVERSITY.

The Sociological Theory of Capital. By JOHN RAE. Edited, with biographical sketch and notes, by CHARLES WHITNEY MIXTER. New York, The Macmillan Company, 1905.—lii, 485 pp.

It is perhaps natural that a work of pronounced originality should be burdened with a title that gives only the faintest suggestion of its purpose and point of view. When John Rae's book was first published, in 1834, the only feature of the work which seems to have appealed to the editorial eye was the criticism of the free-trade doctrines of Adam Smith. Hence the unfortunate title, *Statement of some new principles on the subject of Political Economy, exposing the fallacies of the system of Free Trade, and of some other doctrines maintained in the "Wealth of Nations."* No one could have divined, from this title, that the work so misnamed contained an independent system of political economy. The extraordinary attention which has been given, in the last two decades, to the problem of capital and interest, is primarily responsible for the new title. If occasion shall arise, fifty years hence, for a second reprint of the work, I have no doubt that an entirely different title will be chosen. The work is much more than a "sociological theory of capital." It contains within it the germs of many ideas which have since served as the basis for great reputations; and there remain in it unexploited ideas that will doubtless play an important part in future speculation.

The relation of John Rae's theory of capital and interest to that of Böhm-Bawerk has been ably discussed by Professor Mixter in the *Quarterly Journal of Economics* (January, 1897, and May, 1902). This feature of the work, therefore, requires no comment here. It may not be entirely superfluous, however, to call attention once more to the sociological limitations upon the formation of capital which John Rae

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points out. The instruments which man makes for the purpose of aiding him in securing the direct objects of gratification represent a sacrifice of present goods for the sake of future goods. As man naturally prefers present enjoyments to those which are removed to a future date, only such instruments will be made as will yield a future satisfaction superior to the present sacrifice. Some instruments produce in one year a return equivalent to twice their cost; others produce a similar return in two years; others in three years, and so on. If a society is so constituted that most of its members greatly undervalue future enjoyments, only those instruments which produce a speedy return will be created. The kind of capital goods which a community possesses is therefore determined by the sociological laws governing the valuation of future goods. These laws are not fully developed by John Rae. The factors most strongly emphasized are the prevalence of "the benevolent affections," which lead a man to save for the good of others; the extent of the intellectual powers, and the stability of the community. The part played by imitation in inculcating thrift does not escape the author's attention; but this appears to him to be merely a secondary phenomenon.

The quantity as well as the kind of capital goods is, according to Rae, determined by the same law. In a given stage of the industrial arts, only a limited number of instruments, of sufficiently quick return to overcome the prevailing disposition to undervalue the future, can be used. So long as society does not possess a full complement of instruments of such productiveness, the accumulations of individuals represent a net addition to the social fund of capital; when, however, the stock of such instruments is completed, an individual can increase his ownership of capital only by depriving other individuals of their shares.

An invention may, however, disclose new openings for the application of capital in the creation of instruments of quick return. Increase in social wealth ordinarily follows the introduction of such inventions. We must therefore ascertain the principles governing the progress of inventions, if we desire to understand the increase in the wealth of nations. Rae's theory of inventions, if incomplete, is highly suggestive. Through the migration of nations or of individuals, old arts are forced to adapt themselves to new conditions. When various arts are practiced in one place, processes and materials formerly used by a single art come to be employed by the others.

It is of course obvious that John Rae neglects many aspects of the problem of capital formation. The most important defect in his theory

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is his failure to recognize the fact that the "effective desire for accumulation" is not a static phenomenon, and that it is therefore unjustifiable to assume that it is only through invention that the national capital can be increased. Nevertheless, it can scarcely be doubted that our theories of capital will be brought nearer to reality when we recognize the part that new opportunities for investment actually play.

One of the most interesting applications of the theory of inventions is to the problem of protection *versus* free trade. A protective policy, by inducing an industry to remove from its original environment, renders necessary that process of adaptation which gives freest scope to the inventive faculty. Accordingly, it is not alone the nation which secures a new industry through protection that benefits by the policy. In the end something may be added to the stock of technical processes which the whole world may use. If John Rae were writing to-day, he might cite, in proof of his thesis, the creation of the technique of beet-sugar production, with which the countries of continental Europe have endowed the world.

It would be impossible, in the present review, to call attention to many of the passages in which John Rae seems to have anticipated the thought of to-day. On page 379 he proceeds, in quite the modern fashion, to explain why Adam Smith arrived at the ideas he held on the subject of economic legislation. An outworn set of ideas prevailed in government; therefore men of broad mind developed a prejudice against the existing system, and sought rather to overthrow and root out than to establish and maintain. On page 69 the superstitions of savage peoples are attributed to the fact that they live in an environment not subject to their control. On pages 142–150 we find an excellent discussion, from a sociological point of view, of the man of genius.

It would be unjust to pass by, without comment, the excellent work of the editor. What we know of the author we owe mainly to Professor Mixter's untiring efforts. His rearrangement of the text represents a great improvement over the original form. While he has employed his privilege of annotating very sparingly, such notes as he has attached are uniformly helpful.

ALVIN S. JOHNSON.

UNIVERSITY OF NEBRASKA.

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Amerikanisches Armenwesen. By E. MÜNSTERBERG. Leipzig, Duncker and Humblot, 1906.—120 pp.

The relief methods of the United States have received little of that salutary attention from foreigners which has been generously bestowed on our political institutions and on such social or physiological phenomena as the shrill voices of our women. For this reason, if for no other, Dr. Münsterberg's study is welcome. And we are peculiarly fortunate in that the study has been made by a writer who brings to his undertaking a wide knowledge of European systems, a scholar's minute acquaintance with the American literature on the subject (which he plaintively finds "*reich, fast überreich*"), practical experience as president of the department of public charities of Berlin, and a friendliness and sympathy which result in praise wherever the slightest excuse for praise can be found. Dr. Münsterberg's kindly determination to see the good in our methods and take home to Germany lessons from them, together with the dulling influence on the critical faculty unavoidably exerted, as he himself naïvely points out, by the "unparalleled hospitality" extended to him by officials of institutions and societies, have perhaps robbed us of searching comments which would have been wholesome.

There are some inaccuracies of judgment, traceable to the action of the "guest-friend" scruple; and there are some incorrect assumptions, as when the impression is given that the New York tenement-house department owes its origin to the settlements. There is occasionally, also, a tendency to quote as authoritative men who are well-known in other kinds of work, but have no special claim to be heard on these subjects. One is tempted, too, to wish that Dr. Münsterberg had not had before him for reference "more than two hundred volumes of treatises and reports"; for then the pages of figures (which, as he carefully points out, are of comparatively little significance as they stand) and the masses of illustrative detail[1] would not have left so little room for the personal impressions which, coming from a man of this type, are so extremely valuable.

It is extraordinarily interesting to see how our methods strike him. The very subjects which he selects (since he is not proposing a "*systematische Darstellung*") are significant. They are to some extent

[1] The American version, which is now running in *Charities and the Commons*, under the title "Impressions of American Charity," omits much of this detail, in order to avoid obscuring of the features of Dr. Münsterberg's book which American readers cannot afford to miss.

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those with which he is especially familiar, the administration of relief by public authorities and the care of children. But the greater part of the book is devoted to those problems which are peculiarly American or to those movements which have had in America a development not found in Germany: immigration, state supervision of charities, the tendency toward coöperation among private charitable enterprises, juvenile courts, and the settlements. He is particularly impressed with the "unassuming self-denial of those who devote their lives to the service of the poor" in settlements. The professional character which salaries and training give to social work, "without the slightest unfavorable effect upon the spirit with which it is done"; the preponderance of women, to whose "almost painful accuracy" he bears willing testimony; the extensive use of the typewriter and the telephone, and the application of business methods to record-keeping and office management—these are some of the general features of which he speaks with warm commendation. The intricate inter-relations of public and private charity keep him in a state of perpetual wonderment, from the first page to the last. And the "black shadow" of political machinations in the sphere of public charity grieves and surprises him to a degree that compels us to a fresh realization of its import. "I could not bring myself to believe," he writes of Homer Folks, "that when a man like that was once secured as commissioner of public charities he could possibly be dispensed with again as a result of a change in political parties. And this very victim expresses himself as full of trust in the future!"

Our sincere gratitude is due to Dr. Münsterberg for his interest in the methods we have developed of caring for our poor, for the patience with which he has studied the chaotic mass of institutions and theories which these methods involve and represent, and perhaps most of all for supplying them with a background of European experience.

LILIAN BRANDT.

NEW YORK CITY.

Socialism: A Summary and Interpretation of Socialist Principles. By JOHN SPARGO. New York, The Macmillan Co., 1906.—xviii, 257 pp.

This admirable exposition of socialistic principles reproduces accurately both the strong and the weak elements in socialistic thought. The strong elements—the lives and characters of the leading exponents of socialism from Robert Owen to Friedrich Engels, the contribution of Marx to the philosophy of history, and the socialistic ideal—take up

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eight of the nine chapters of the book. In them many common misconceptions are cleared away and a view of the socialistic movement is presented that must command the sympathetic interest of every unprejudiced mind. Nor is this accomplished by ignoring that feature of socialistic propaganda that is most distasteful to those who look to the spread of brotherly love to bring about the regeneration of the world, the so-called "class struggle." Instead a whole chapter, and that the longest in the book, is devoted to this struggle, and insistence upon it is squarely defended as an important, even necessary, part of the socialist creed. The author may not succeed in this chapter in bringing the reader to the paradoxical conclusion which he himself accepts, that the road to social peace is through an intensification of class hostility, but he at least shows how largely the class struggle colors contemporary opinion on all social questions. If this chapter and the biographical sketch of Marx which follows led at once to the concluding chapter, "Outlines of the Socialistic State," this review might end as it begins with unqualified praise. Certainly there is nothing in the ideal with which Mr. Spargo closes his sketch that is not altogether fine and inspiring. Opposed to it declamation against the "coming slavery," "the scarlet empire," *etc.*, are absurdly beside the mark. Critics may and doubtless will still characterize it as an impossible dream, but they certainly cannot convict it of ignoring the importance of personal liberty or of failing to leave scope for individual initiative.

But no exposition of "scientific socialism" would be complete without an explanation of the Marxian theory of value. To this task Mr. Spargo addresses himself in his eighth chapter, "Outlines of the Economics of Socialism." Here we have as faithful a reproduction as the limits of space permit of the familiar Marxian doctrine that "the exchange value of commodities is determined by the amount of average labor at the time socially necessary for their production" and of the even more characteristically Marxian theory of "surplus value," which the author considers "the foundation principle of the modern political socialist movement." These are presented with the blind fidelity of the disciple and with but the scantiest notice of the unanswerable objections to their acceptance which have repeatedly been urged by economists. This is all the more noteworthy because the more enlightened among the social democrats of Germany (*e. g.* Bernstein) have begun freely to admit that the labor theory of value is no longer tenable and to soften somewhat the formidable indictment against recipients of income from property involved in the exploitation theory. The truth is that value in "societies in which the capitalistic mode of

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production prevails" is not and never has been determined by the labor involved in production alone. The amount of capital used and the duration of the period of production also determine value, and by no amount of juggling with the fact that capital is itself the product of past industry can this important time factor be made to disappear. The value of the product of six hundred days' labor and a thousand dollars' worth of capital goods employed in a one-year process of production is normally less than the value of the product of six hundred days' labor and the same thousand dollars' worth of capital goods spread out over a two-year process. This fact, that the reward of capital is exacted in proportion to the time involved in production and thus appears as an element of cost registered in normal value, irrespective of the amount of labor either employed with the capital or embodied in the capital, may be described by socialists as a sinister phase of the exploitation process, but it clearly does not consist with the Marxian explanation of value. And once the labor theory of value is abandoned, the structure erected upon it must be shifted to another base and materially modified if it is not to fall down. It is no longer clear that "the whole produce of industry belongs of right to labor." On the contrary, there emerges a distinct service rendered by the despised capitalist, that of waiting until the long-drawn-out process of production is concluded, which must be recognized if not rewarded.

The readjustment of theories made necessary by an appreciation of these defects in the analysis of Marx is, it need hardly be said, by no means fatal to the claims of socialism. One may believe that the service rendered by the individual capitalist is one that should be rendered by the community collectively, that collective saving and waiting should be substituted for reliance on individual saving and waiting, and that rewarding the latter is so pernicious in its social consequences that it should be done away with altogether. Granting the truth of these opinions a new foundation might be laid for socialism more scientific because more accurate than that which Mr. Spargo accepts from Marx. It is to be regretted that in preparing such an able hand-book for the propagation of socialistic ideas, the author did not give more serious consideration to the later developments of economic thought and thus bring the "economics of socialism" into closer harmony with the economics of economists.

HENRY R. SEAGER.

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Modern Social Conditions. A Statistical Study of Birth, Marriage, Divorce, Death, Disease, Suicide, Immigration, *etc.*, with special reference to the United States. By WILLIAM B. BAILEY, Assistant Professor of Political Economy in Yale University. New York, The Century Company, 1906.—377 pp.

The nature and scope of this book would have been more clearly indicated by its title had it been called "Demography of the United States" or "Vital Statistics of the United States." Its object is "to meet the needs of American students who are interested in the structure and growth of the population of their country," and the effort has been to make it serviceable both as a text-book and "as a book of reference for those desiring information upon the topics covered" (preface). It contains six chapters entitled, History and Theory of Statistics; Sex, Age and Conjugal Condition; Births; Marriage; Death; The Growth of Population. The book invites comparison with Richmond Mayo-Smith's *Statistics and Sociology*, to which the author frankly refers. He writes:

> Since the appearance of this work so much has been done by the scientific world that this seems a good time to bring together part of the results of their investigations. Wherever possible the figures relating to the United States have been used, but those for foreign countries have been introduced for purposes of comparison and to illustrate points upon which the statistics of this country are lacking [preface].

The present work, however, is narrower in range than the earlier, embracing little or nothing upon crime (other than suicide), upon immigration or upon the dependent or defective classes. It is a compilation and interpretation of statistics, especially American statistics, derived from various sources.

In considering the merits of such a book the questions which present themselves are: Is it based upon the best authorities? Are those authorities treated with judgment and acumen? Are the most important results which have been attained in each branch of the subject brought out clearly and in their proper relations?

The author's treatment of two important subjects, the death rate of the United States and the birth rate of the United States, has been examined with the foregoing questions in mind. Regarding the death rate of the United States he says: "The best that can be done is to give the figures for the registration area. The death rate for this area in 1890 was 19.6 and in 1900, 17.8" (p. 215). A foot-note states

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correctly what was included in the registration area in 1900. A comparison of this summary treatment with the paragraph given to the same question by Mayo-Smith (Statistics and Sociology, p. 148) reveals no advance in the later book over the earlier. Our author gives no hint that the registration area changed boundaries or content between 1890 and 1900; that Maine and Michigan were included only at the later date, and Delaware only at the earlier; that 153 cities outside of the registration states were included at the later date and only 83 at the earlier; and that, largely in consequence of these changes, the registration area of 1890 embraced 31 per cent, and that of 1900 38 per cent, of the country's population. There is no warning against an uncritical acceptance of the figures quoted as proof that the death rate of the United States in 1900 was much below that of 1890. The question whether the population of the registration area at either or both dates was representative of that of the whole country is ignored. So, too, is the crucial question: What is the probable error of these figures and in which direction from them does the truth probably lie?

In my judgment the most important authorities on the topic are the Twelfth Census; a detailed and severe criticism of the vital statistics of 1900, by F. L. Hoffman, in the Publications of the American Statistical Association; and a brilliant paper by Professor Irving Fisher, "Mortality Statistics of the United States Census," in the Publications of the American Economic Association. Of these authorities the author seems to have used only the first and that uncritically.

Regarding the birth rate in the United States Mayo-Smith made the following statement:

> The birth rate as calculated by the Census of 1890 was for the whole population 26.68; for whites, 26.35; for colored, 29.07; for whites, with both parents native, 28.58; with both parents foreign, 38.29. The last two figures were only for limited areas. These rates are probably too low by from 20 to 30 per cent, owing to deficiencies in the return of infants "born and died" during the year [p. 69, note].

There is hardly any branch of American vital statistics possessing greater popular and scientific interest than this, since it furnishes whatever trustworthy basis there is for the discussion of what has been called "race suicide"; and one turns to the book before us expecting to find a summary of the present state of knowledge and opinion regarding it. Yet the book contains no statement upon the probable birth rate of the United States and no explanation for its omission. The subject has been handled since 1890 by at least four competent statisticians who

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have expressed and defended in easily accessible places widely different opinions. To ignore the whole matter may have been the easiest treatment of it, but it cannot be called satisfactory.

The preceding criticisms are open to the reply that they merely point out omissions but throw no light upon the accuracy or importance of what is said. Although this reply would not meet my contention, which is that the most important topics have been ignored or slighted, still it is fair to probe also the merits of what the book contains.

For this purpose I have selected, by opening the book at random, two passages, pages 110 and 111, 174 and 175; and I have also taken, as an example of work in a widely different field, a third passage giving an epitome of the history of statistics, pages 5–7.

On page 110 this statement occurs: "The following table was presented by Dr. J. Bertillon before the meeting of the International Statistical Institute at St. Petersburg in 1897." The table contains an error in figures, the 80 in the first column is 79 in the original, and a more serious error in words, representing by "quarters" an idea which in the original is indicated by "*arrondissements*" for Paris, "*Stadttheile*" for Berlin, "*Bezirke*" for Vienna, and "districts" for London. The change from "districts" to "quarters" is misleading, because "quarters" is ambiguous and, when social position is in question, is naturally interpreted as referring to the housing of the families rather than to the part of the city in which the families dwell. That the writer fails to mention what is to me the most significant thing about Dr. Bertillon's article, namely, the various criteria by a combination of which he classifies the districts in these capitals according to the social position of their residents, may be a matter of individual judgment, but there can be no such answer to the criticism that he has fathered upon Dr. Bertillon a table which is not to be found in his paper. No doubt the material from which the table has been constructed is in the article, but the table is not. And in my judgment Dr. Bertillon would not be willing to stand as authority for it. Suppose that the election districts of New York City, Chicago and Philadelphia were classified according to the social position of their inhabitants, the criterion in New York being the proportion of families having at least two persons to a room, that in Chicago being the proportion of heads of families paying a state income tax, and that in Philadelphia being the average number of domestic servants in each hundred families, would a careful statistician like Dr. Bertillon assemble his results in one table? It would have been quite as easy to say, "The following table has been compiled from material presented by Dr. Bertillon," *etc.*, and the statement would then have been correct.

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On page 111 a table is given showing the comparative birth rate in different districts of Amsterdam, the poorest districts having a rate of 118.2, or 18.2 per cent above the average for the whole city; the richest districts having a rate of 64.4, or 35.6 per cent below the average for the whole city. Then follows this comment: "We have here the curious coincidence that there are about three times as many births in the poorest as in the richest quarter." The most favorable explanation —that the sentence belongs after a preceding table—I have had to reject. The "curious coincidence" is with the results of that table. But there is no coincidence, since in Amsterdam there are less than twice as many births in the poorest as in the richest districts; and if there were a coincidence it would not be curious, because the criteria employed in classifying the districts were not the same for any two of the five cities and the lines of division between the several classes have to be drawn arbitrarily, so that, granting any difference at all to exist between them, the amount of it depends largely upon where the person who makes the table decides to draw the lines.

On page 174 is the statement that "in Prussia, 1889–1900, the legitimate fecundity of the families in independent circumstances was 5.09, while that of the employees was only 3.69. The reason for this was that in many cases, among the poor, children were born before marriage, and in this way the number born after marriage was reduced." The authority quoted uses in the text the word "*Hilfsarbeiter*," but in the table the words "*Gehilfen, Gesellen, etc.*" It is not clear that the latter has any better claim than the next class, "*Taglöhner*," to be translated "employees." In the light of the clear implication earlier in the same article (p. 522, f) that the Prussian statistics do not enable one to distinguish the legitimate fecundity of employers and employees in a given occupation, I do not think the words will bear the interpretation given them. But, waiving this point, the German author proceeds to suggest two possible explanations of the difference: first, that employees gradually rise into the rank of employers, and that employers, as a class, are consequently older, have been married longer and have acquired families more nearly of their final size; secondly, that among employees the proportion of illegitimate births is larger than among employers. No evidence is offered that either explanation is the true one. For this and other reasons the passage seems to me unimportant as well as a little obscure; but, however it be understood, it is certainly inadmissible to transform, as our author has done, one of two possible explanations into a reality and then to make it "the reason for" what is probably not a fact.

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On page 175 a table is quoted from "Rept. State Board of Health, Connecticut, 1902, p. 260." Reference to the authority fails to reveal the table. Further search shows that two public documents of Connecticut, the report of the State Board of Health and the Registration Report of the Bureau of Vital Statistics, are bound in one volume but paged independently, and that the table in question is in the Registration Report for 1901. In copying the table the number 329 has become 392, and the number 21,525 has become 31,525—errors testifying not merely to careless proof-reading but also to the fact that the tables have not been verified by addition on the proof sheets, an indispensable requisite of accurate work in reproducing statistical tables. The second error is the more glaring because the table in its erroneous form contradicts the most important inference which the author draws from it.

In one respect Professor Bailey has gone out beyond the field occupied by the earlier book of Mayo-Smith. He has given a very few pages at the start to an epitome of the history of statistics. The main authorities upon which one should rely for such a sketch, arranged in the order of my preference, are: H. Westergaard, *Lehre von der Mortalität, etc.*, second edition, chapters 2 and 3 (written from the point of view of vital statistics by a master hand); Adolph Wagner's article "Statistik" in volume 10 of Bluntschli-Brater's *Staats-Wörterbuch;* V. John, *Geschichte der Statistik;* A. Gabaglio, *Statistica,* volume 1; A. Meitzen, *Geschichte, Theorie und Technik der Statistik,* part 1. Of these and other authorities only the last-named (which, with the exception of Wagner's brilliant article, is also the briefest) seems to have been used in the preparation of this epitome.

What has been the result? Muenster's name is printed Muenstef, and we are told that he "was the first to furnish a work giving statistics of various countries" (p. 5). As no definition of statistics has been offered, the reader is left to assume that it is used in its present meaning and would get no inkling that there is probably not one important statistical statement in Muenster's *Cosmographia.* The reason is that statistics as we understand them, that is, numerical statements regarding social groups, did not then exist. But was Muenster "the first"? I have in hand the *Asiæ Europæque Descriptio* of Aeneas Silvius, afterwards Pope Pius II, with the date 1531 on its title-page. The first part of Muenster's *Cosmographia* appeared in 1536. The earlier book is of the same general character as the later, but much smaller and briefer. I believe the author has been misled on this point by his main authority, Meitzen.

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The next two sentences are: "It was reserved for Achenwall (1719–1772) to first use the word 'Statistik.' It comes from the Italian *statista* which meant about the same as our statist or statesman." A foot-note cites an article by John as authority. The pertinent statement in the article quoted runs as follows: "This professor . . . . is often regarded to-day as originator of the name statistics, although neither the name nor the study to which it is applied began with Achenwall. In 1672 appeared the *Microscopium statisticum* of Heleno Politano. . . . It was not even a service of Achenwall to unite the name with the study." Our author, therefore, lends his support to a position which his authority rejects and apparently disproves. Perhaps he had in mind the following statement of Meitzen, to which he does not refer: "In this introduction he [Achenwall] first used the word 'Statistik'" —a correct statement but misleading unless explained. Achenwall was the first writer on these subjects to use German and the first to translate the Latin phrase of his predecessor, Conring, *notitia rerum publicarum*, into German. In doing so he coined a German noun *Statistik* from the then common Italian word *statista* and the Latin adjective *statisticus*.

The few words given to Süssmilch follow the sentences on Achenwall and precede the sentences on John Graunt, which is as if one should mention Newton before Kepler in a sketch of the history of astronomy or Cortez before Columbus in a history of America. The whole account is made lame and faulty by the failure to recognize and emphasize the differences between the word "statistics" and the thing. The word first came into common use in Germany as the name of a descriptive political science without any numerical data. The thing originated in England with John Graunt, and it was baptized "political arithmetic" by his friend Petty. Süssmilch imported the English books and ideas into Germany and hailed Graunt as an intellectual Columbus. Gradually the English thing displaced the German and the German name displaced the English. This fundamental fact in the history of statistics is recognized by John, who divides his *Geschichte der Statistik* into two books: the first dealing with the history of German university statistics, the second dealing with English statistics or, as he calls it, statistics in the present sense of that term. The same distinction was earlier made in Adolph Wagner's article. He called the two currents the German school and statistics proper. But the true course for one concerned with the history of vital statistics is the one followed by Westergaard, who ignored the whole development of German university statistics prior to 1800 as of interest only to antiquarians.

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I am compelled to conclude that the book is not based upon the best authorities, that the authorities followed have not been used critically, and that it is not an adequate presentation of the present condition of American vital statistics.

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Women's Work and Wages. By EDWARD CADBURY, M. CECIL MATHESON and GEORGE SHANN. London, Fisher Unwin, 1906.—368 pp.

This admirable volume presents the results of the work of several years, performed by three competent persons. It is an enlightened study of the conditions of labor among women and girls in the city of Birmingham, England, covering more than one hundred trades and occupations. The authors say, in their introduction:

> The present enquiry has aimed at systematizing and offering in comprehensive form, for the purposes of the general reader and the social worker amongst women, the valuable work recently done by various writers and associations, and the present writers have taken full and free advantage of the work done in this field. At the same time a great deal of original investigation, extending over a period of three and a half years, has been done, and we offer no conclusions except those which our own enquiry bears out.

The conclusions are valuable for students in America, perhaps, quite as much as for English social workers. First among them is that little can be expected from trade-unionism in the near future for the lowest class of women workers. This, however, is carefully qualified by the further observation:

> While accepting this conclusion in relation to this particular class of workers, the results so far attained show that much might be done amongst the better class of women, especially amongst such workers as shop assistants, clerks and teachers, where men and women often do much the same quality and quantity of work.

For American readers it is difficult to conceive an industrial nation in which the limits of the hours of labor of women workers in manufacture (aside from the home industries) have been legally established so long that they do not form a subject of discussion. The principle that the legal working day for women can and must be regulated by Parliament was accepted in 1842 and has been applied in ever-widen-

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ing spheres of industry down to the present day. On this all-important subject the authors say:

> The law relating to factories and workshops was consolidated in the Factories and Workshops Act, 1901, and now not only are the conditions of employment of women and children regulated by law, but the regulations also extend in many ways to the employment of men. Even at the start of state interference, factory legislation was not devised specially for women. From the beginning of the nineteenth century numerous statutes have been passed—the first in 1802, aiming at the preservation of the health and morals of apprentices and others. . . . The act of 1831 extended these restrictions to all persons under 18, and no girls under 21 were allowed to do nightwork. The act of 1844 included women in textile factories in regard to hours under those restrictions that had previously been applied only to young persons.

The hours of labor in manufacture being regulated, the authors turn to the discussion of a possible national minimal wage to be established by Parliament; and this, which forms the concluding chapter, is for American readers probably the most valuable portion of the book.

The industrial conditions described indicate that the legal protection of women and girls engaged in manufacture in Birmingham is approximately a half-century in advance of that enjoyed by women in similar occupations in New York, Philadelphia and Chicago.

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BOOK NOTES

The author of *A Practical Program for Working Men* (London, Swan, Sonnenschein & Co., New York, Charles Scribner's Sons, 1906; xiii, 227 pp.), has chosen to withhold his name, and in so doing he has been unduly modest. The book is one of those contributions to socialistic thought that tend to the bettering of socialism. Without making any pretense of being distinctively a Christian socialism, the *Practical Program* might justly be described as a closer approximation to applied Christianity than most of the programs offered under that phrase. The author is a man to whom life has brought the wisdom born of feeling no less than the clarity won from a fearless intellectual outlook. His evident interest lies in the possibility of a socialism broader than the revolutionary scheme of a class-conscious proletariat. He hopes for the coöperative organization of the whole people, forgetful of class hatreds. This may be a beautiful dream, but in a world full of sordidness and class bitterness we need all the beautiful dreams that fine souls can give us. But it would be unjust to the author to convey an impression that his book is moral idealism only. It is an admirable example of keen analysis and strong constructive reasoning. He has grasped the immensely important evolutionary truth that the Darwinian struggle for existence has been only one factor in nature's process. Mutual aid, as investigators like Kropotkin and Karl Pearson have demonstrated, has played quite as important a part as remorseless competition in developing the highest forms of life. It is for man to combine these factors in ever better adjustments, and, by transforming his environment, intelligently to perfect his own nature. In practical detail the program, of course, calls for the substitution of collective for private ownership of the means of production. The immediate steps urged are a larger reliance upon political activity, a lessening dependence upon such trade-union methods as the strike, and a taking of the whole process of the production of necessaries (in italics) out of the hands of private capital.

The talented but extreme and rather bitter leader of the Socialist Labor party in America, Daniel De Leon, has published his sketches of the recent International Socialist Congress under the title of *Flashlights of the Amsterdam Congress* (New York, Labor News Co., 1906; 150 pp.). The book gives a most readable and entertaining account

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of the chief personalities at the Congress, more especially Jaurès, Bebel, Guesde, Adler, Vandervelde and Ferri. The author does not refrain from indicating his dissatisfaction with those who do not agree with him, and every effort is made to hit the dissenting body of American socialists over the heads of their European confrères. In Mr. Hilquit's recent *History of Socialism in the United States*, the section of which Mr. De Leon is the head is mentioned in the following words: "With no support from the labor movement and with a state of perpetual strife within its own ranks, the Socialist Labor party is distinctly on the wane, and its ultimate disappearance from the political surface seems to be only a question of time." Mr. De Leon here returns the compliment by stating in his pamphlet that the Socialist party "may be said to have fairly entered upon the period of dissolution." We refrain from quoting the various compliments which the two sections of American socialists are showering on each other. If allowance be made, however, for this bias, the little book of Mr. De Leon will be found highly interesting, and it is very instructive as to the present state of disagreement in socialistic circles all over the world. The spirit of practical fraternity has evidently not yet permeated the socialist ranks, though the word is emblazoned on their banners.

The history of Francis of Assisi has frequently been written, but we now have an attempt by Father Leo L. Dubois to discuss him specifically from the social point of view, in a book entitled *St. Francis of Assissi, Social Reformer* (New York, Benziger Bros., 1906; 250 pp.). Mr. Dubois confesses frankly that St. Francis "had little social knowledge, less social experience, and practically no understanding of the ordinary processes of life." He contends, however, that St. Francis held a consistent set of social views, although these were probably to a large extent unconscious. When we come to consider the matter in detail, however, we find that his method was essentially a reform of society through individual virtue, and that this method of the perfection of the individual does not really throw much light upon the economic problems of his day. The attempt of Father Dubois to compare the social problems of the early middle ages with those of to-day is on the whole disappointing; and students of economic problems will find in this life of St. Francis little to help them. The questions at issue in such treatises are religious and ethical rather than economic.

In a volume of essays edited by the Rev. J. E. Hand and entitled *Ideals of Science and Faith* (N. Y., Longmans, Green and Co., 1905; x, 333 pp.), Englishmen of established reputation in their respective fields attack the perennial problem of the relations of science and re-

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ligion. As might be expected, there is little attempt at "higher syntheses"; but it is repeatedly asserted that scientific men have ideals and that in certain respects the evolution of religious thought is tending toward similar practical ideals. Special mention may be made of the essay by Mr. Bradford, honorary secretary of the Sociological Society of London, on a "Sociological Approach towards Unity." In occidental civilization Mr. Bradford distinguishes, on the basis of their interests, the following social groups: priests, scientists, industrialists, literary men and artists, politicians, historians and philosophers. Each of these groups, he discovers, is composed of two sorts of individuals, "idealists" and "formalists." Within the industrial group, for instance, he identifies Veblen's class of those engaged in "honorific occupations" with the formalists; those pursuing "humilific occupations" with the idealists. Identification is by no means complete, but "looking at it in the large historic way" the group-formalism of the workers "shows a tendency to be subordinated to group-idealism." On the other hand the methodological principle in financiering tends "to produce a variety of the group-type in which idealism is subordinated to formalism and ceremonialism." Each of the other occupational groups is analyzed from the same point of view. The "approach towards unity" is found in the possibility of all the "idealists" working together for practical ends in the saving of the degenerate. The degenerate are the "formalists." The terms idealist and formalist are nowhere adequately defined, and the ideas they stand for are therefore somewhat indefinite. Possibly they are none the less valuable on that account.

Mr. B. Kirkman Gray's *History of English Philanthropy* (London, P. S. King and Son, 1905; xv, 302 pp.) is a useful supplement to standard histories of the English poor law, since it deals as well with private as with public efforts to alleviate the condition of the poor, from the dissolution of the monasteries to the taking of the first census in 1801. Its principal characteristic is a discursive quality that is rarely met with in recent histories, and that adds greatly to its interest to the general reader if it detracts somewhat from its value to the specialist. For the benefit of the latter a very complete index is appended, which makes easily accessible the vast amount of unusual information on every phase of philanthropic effort, from elementary education to the suppression of the slave trade, with which the volume is enriched. The general conclusion of the author appears to be that the failure of philanthropy in the past has been due to the ready assumption of philanthropists that they represented a superior order of beings, and that the hopeful aspect of present-day efforts to improve the condition

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of the poor is the ever wider recognition of the essential unity of human nature and the ever clearer acceptance of the gospel of the brotherhood of man.

The standard book on the *History of Coöperation*, by George Jacob Holyoake, has appeared in a new edition (N. Y., E. P. Dutton, 1906; two vols., xvi, viii, 691 pp.). The original work, which dates from the years 1875–1879, has long been out of print, and it is fortunate that in the later period of his long and eventful life the veteran reformer should be able to witness this new and authoritative edition. The changes in the body of the book are not important, except that a third part of some sixty pages has been added, bringing the history down to date. Mr. Holyoake is as energetic an opponent of socialism as ever. "Socialism dissolves coöperation," so we are told. On the other hand, the discussion is enriched by some pregnant sentences like the following: "Coöperation is self-defensive individualism made attractive by amity, strengthened by interest and rendered effective by association." Coöperators, however, like the socialists, wish to temper competition; and to many the line between socialism and coöperation would seem to be rather shadowy. Vandervelde, for instance, tells us that in practice in Belgium coöperation becomes a sort of embryonic socialism. But that is not Holyoake's view.

Nothing could serve so well to mark the permanent place which the coöperative system has won for itself in the United Kingdom as the publication of a special text-book for the information of members of the Coöperative Union, entitled *Industrial Coöperation: The Story of a Peaceful Revolution* (Manchester, The Coöperative Union, 1904; xx, 278 pp.). Miss Catherine Webb, the editor of the book, has drawn on all available sources of material, and has succeeded in giving an account of the movement that is interesting as well as instructive. Especially suggestive is the account of the educational and propagandist activities of the Coöperative Union, which follows the full historical outline and discussion of practical developments in the body of the volume. Taken as a whole the information presented fully justifies Lord Roseberry's frequently quoted characterization of the coöperative movement as constituting "nothing less than a state within a state."

Another indication of the vitality of the coöperative movement is the publication by the International Coöperative Alliance of an exhaustive *International Coöperative Bibliography* (London, P. S. King and Son, 1906; xxxii, 276 pp.) in which titles are classified according to subjects and countries as well as alphabetically. Some notion of the comprehensiveness of this bibliography is afforded by the following informa-

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tion taken from the preface: "Among languages English easily leads, having 1381 entries allotted to it. German follows next with 1145, and after that French with 1132, Italian with 762, the Slav languages with 593, Magyar with 242, the Scandinavian languages with 127, Dutch and Flemish with 100, the Romance languages not already quoted with 90, Finnish with 83, Greek with 8 and the Celtic languages with 3."

The reprinting of Professor Richard T. Ely's *The Labor Movement in America* (N. Y., The Macmillan Co., 1905; xvi, 399 pp.) attests the interest of the public in this subject. Valuable as was the book on its first appearance in 1886, its republication after the lapse of twenty years serves chiefly to emphasize the need of an up-to-date treatment of this topic. It is gratifying to know that Professor Ely and his associate, Professor Commons, are engaged in the preparation of such a work.

Mr. George Howell's work on *Labor Legislation, Labor Movements and Labor Leaders*, which was published in 1901, has met with so favorable a reception that a new edition has become necessary. With the exception of a few corrections of misprints, the new edition (N. Y., E. P. Dutton, no date; two vols., xviii, viii, 499 pp.) is virtually unchanged, although there was a good opportunity to add a chapter on the interesting development of the labor movement since 1901.

In his *Battles of Labor* (Philadelphia, George W. Jacobs and Co., 1906; 220 pp.), Dr. Carroll D. Wright, the veteran student of the labor problem in the United States, presents in an interesting way his views as to the aims and progress of the wage-earner militant. The four lectures which make up the volume were delivered before the Philadelphia Divinity School on the William L. Bull foundation, and they reflect clearly the character of the audience for which they were intended. Their scope is sufficiently indicated by their titles: "The Background"; "In Mediæval and Modern Industry"; "Great Modern Battles"; "How Modern Battles are Treated." Especially interesting are the last two lectures, which are based largely on the personal experience and observation of the author.

La Femme dans l'Industrie (Paris, Armand Colin, 1906; 283 pp.) by R. Gonnard, professor in the law faculty of the University of Lyons, is a scholarly and interesting study. The chapters devoted to working women in France show their numerical and their geographical distribution in a manner at once instructive as to France and suggestive for a similar study in the United States. The discussion of remedial measures however, is somewhat disappointing. The author seems to underestimate the permanent, inherent difficulties attending the effectual organization of wage-earning women and girls for the improvement of

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their wages. These difficulties lie in the youthful irresponsibility of the working girls, and in the overburdened, wearing position of wives of invalid men or widowed mothers of dependent children. In America, at least, these three groups constitute the great army of wage-earning women. On the other hand, the author seems to underestimate the potential beneficent power of the consuming public enlightened and organized to enforce its will according to its conscience. His somewhat slighting attitude towards organization of consumers, as such, may be due to the fact that the French workingmen have not developed the use of the trade-union label, while the Consumers' League of Paris is among those most recently formed. Despite these limitations, the book is one to be read with profit by students of the labor problem in its most modern aspects.

Dr. Paul Marcuse deals with the subject of the American currency in the monograph entitled *Betrachtungen über das Notenbankwesen in den Vereinigten Staaten von Amerika* (Berlin, Carl Heymann, 1907; 168 pp.). Although it contains nothing new to the American reader, it is a temperate and well-proportioned book. The history of the currency is concisely told and the weak points in our system are accurately indicated. Dr. Marcuse believes that our note issue is extraordinarily safe, but that its safety is dearly purchased at the cost of elasticity. He points out that we virtually possess all the faults of a central banking system without any of its advantages. He calls attention to a fact that has recently been emphasized by some writers in this country, that a principal defect in our system consists in the character of the paper dealt in by the banks. In one respect, however, Dr. Marcuse finds our methods far in advance of those of continental Europe, namely, in the deposit function of the banks. He declares that Germany is only in the first steps of the development which we have long since reached. The monograph concludes with an attempt to show how Germany can benefit in this matter by our experiences.

Two of the more recent issues in the series of books on business published by Methuen and Co., London, are *The Money Market* by F. Straker (1904; 180 pp.) and *The Stock Exchange* by Charles Duguid (1904; 173 pp.). Mr. Straker's book gives a concise and interesting statement of the factors of the money market in England; of the character and growth of the Bank of England, as well as of the joint-stock banks; and of the mechanism of the money business, including foreign exchanges. The one point that he emphasizes is the possible danger lurking in the concentration of all of the reserves in the Bank of England. Mr. Duguid, who is the city editor of the *Morning*

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Post, attempts to explain to the unversed in simplest terms the rather complicated transactions of the stock exchange. In this he is extremely successful, and from now on no American readers need puzzle over the "contango" and the "backwardation." If the other volumes of the series maintain the high levels reached by these two books, it will be an undoubted success.

In his little volume on *Clearing Out-of-Town Checks in England and the United States* (published by the author, St. Louis, 1903; xiv, 160 pp.) Mr. James C. Hallock presents an interesting account of the various methods of clearing country checks that are now in vogue and a convincing argument in favor of extending such methods to all parts of the country. Although addressed especially to practical bankers, the book is not without value to the student of the theory of banking. The titles of the chapters indicate the comprehensiveness of the author's treatment: "The Economy of Clearing Checks"; "Clearing Out-of-Town Checks Needed"; "The London Plan"; "The Sedalia Plan"; "Boston Clears New England Checks"; "The Boston Plan"; "New York Will Follow"; "Proposed Plan for St. Louis."

The establishment of commercial high-schools in so many American cities is beginning to have a marked influence on the grade of text-books available for use in connection with commercial courses. A. M. Bogle's *Comprehensive Book-keeping* (N. Y., The Macmillan Co., 1905; xviii, 142 pp.) is an illustration of this influence. In contrast with the ordinary dry and rigid manual on this subject, Mr. Bogle's book is both interesting and adaptable. It takes for granted a reasonable degree of intelligence on the part of both teacher and pupil and presents the subject in a way that can hardly fail to stimulate and develop the mind of the student who masters it at the same time that it makes him something of a book-keeper. It is a text-book that may be safely referred to in confirmation of the familiar argument that there is as much mental discipline to be derived from studying a branch of applied mathematics, such as book-keeping, as from studying the pure science.

The great interest manifested in income-tax schemes in France has led Dr. Hermann Meyer, one of the students of Professor Neumann, to take up historically the various proposals under the title, *Die Einkommensteuerprojekte in Frankreich bis 1887* (Berlin, Carl Heymann, 1905; xii, 190 pp.). With customary German thoroughness, Dr. Meyer goes back to the beginning and devotes the first part of his work to the middle ages and the pre-revolutionary period. The second part deals, in turn, with the schemes of the Constituante, of the Législative and of the Convention. Another chapter treats of the Revolution of 1848 and

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of the period of the Franco-Prussian War; while the final chapter brings the history down to 1887. It is instructive to observe how numerous have been the reports and the projects both of individuals and of committees in favor of the income tax, and how each one in turn has failed to secure popular acceptance. This is equally true of the period from 1887 down to the present day, the history of which is still to be written.

The growing importance of local taxation in England, attested by the appointment of the parliamentary committee of 1901 and by the special congress on the subject recently held in London, has called into existence a considerable body of literature. Among the works of more than passing importance are to be mentioned those by M. E. Lange, *Local Taxation in London* (London, P. S. King and Son, 1906; 46 pp.); Arthur Wilson Fox, *The Rating of Land Values* (London, P. S. King and Son, 1906; 124 pp.); and G. Armitage-Smith, *Principles and Methods of Taxation* (London, John Murray, 1906; 195 pp.). Mr. Lange's work, to which Lord Welby furnishes a preface, pays especial attention to the rating reforms in London. He takes up in detail the exchequer grants, the much needed equalization of rates between the different parts of the great metropolis and the problem of the taxation of site value. A number of interesting statistical tables complete an illuminating discussion of the subject. The book of Mr. Fox consists chiefly of notes upon the proposals to levy rates in respect of site values that were made during the time that he was secretary to the royal commission on local taxation. The volume is a compendium of the views expressed before the commission by prominent writers and speakers, arranged systematically and connected by a running commentary. Several appendices contain additional extracts from the reports, and a summary of the bills for the rating of land values that have been introduced into Parliament during the past few years. The work of Mr. Armitage-Smith deals with the whole subject of taxation and seeks to state in a simple form the broad principles and general tendencies involved. For the student of public finance, there is little of special value in the work, apart from the British statistics, which have been brought down to date; for the ordinary reader, however, the work of Mr. Armitage-Smith will be a convenient manual.

The Principles of Wealth and Welfare, by Professor Charles Lee Raper (N. Y., the Macmillan Company, 1906; x, 336 pp.) is an "Economics for High Schools" with several new and valuable features. The book is divided into an introduction and four sections treating respectively of "The Consumption of Wealth-Welfare," "The Produc-

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tion of Wealth-Welfare," "Consumption and Production, Market Price-Welfare," and "The Production and Distribution of Wealth-Welfare." As these titles indicate, the author's treatment is at once conservative and sympathetic with recent tendencies. He takes as his starting-point an analysis of consumption and wants, and he emphasizes constantly the thought that it is with human welfare as conditioned by wealth rather than with wealth in and for itself that economics is concerned. At the same time he adheres to the traditional division of the subject into four parts. The principal criticism that may be passed on this latest attempt to present economics in elementary form is that, in his desire to expound the principles of the subject, the author gives too little information about contemporary business conditions and methods. Aside from this defect the book compares favorably with other treatises of the same scope, such as those of Ely and Wicker and Bullock, and has certain merits which these others lack.

It is somewhat disappointing to find that little of importance is added to economic thought by the publication, under the editorship of Mr. Henry Higgs, of the fragments of the late W. Stanley Jevons's *Principles of Economics* (London, Macmillan, 1905). The fragments appear to consist, for the most part, of rough studies which would hardly have appeared at all had the talented author lived to complete the work. The only novel thing about the work is its arrangement, which suggests in many respects an improvement over the traditional arrangement of the time. To the student who has no particular interest in the author, the most important parts of the present volume are the essays on Cantillon and on the match tax, which have for a long time been practically inaccessible. As any one familiar with the work of Mr. Henry Higgs would expect, the editing of the volume leaves nothing to be desired.

We have had many more or less satisfactory commentators on the economic views of Aristotle as contained in his *Politics*, but we have had no adequate attempt to interpret the pseudo-Aristotelian treatise which bears the name of *Economics*. This gap has now been filled by Dr. Kurt Riezler, in the work entitled *Ueber Finanzen und Monopole im alten Griechenland* (Berlin, Puttkammer and Mühlbrecht, 1907; 98 pp.). The monograph is composed of two parts. The first takes up the *Economics* itself, giving an interpretation of the various paragraphs and an explanation of the facts from the economic point of view. This is well done and constitutes a real contribution. The second part attempts to give an account of the public finance of Greece on the basis of the facts found not only in Aristotle but also in the other Greek

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writers. The author is modest in his presentation and thus largely disarms criticism, but attention must none the less be called to the fact that the work would have been far more satisfactory if he had utilized the recent volumes of Francotte on industrial conditions in Greece. This defect is especially apparent in the excursus which deals with the controversy between Meyer and Bücher. The monograph received a prize from the philosophical faculty of Munich, but its merits are really to be found in the detailed comment on the Greek text rather than in any success in dealing with the problem as a whole.

Dr. Rudolf Kaulla, who subscribes himself as *Privatdozent* without stating at what institution, has continued a doctor's dissertation on the history of the theory of value which was begun in the seminar of Professor Brentano of Munich, and has published his conclusions under the title of *Die geschichtliche Entwicklung der modernen Werttheorien* (Tübingen, H. Laupp, 1906; 282 pp.). Dr. Kaulla's book gives a convenient summary of the chief tendencies of the historical development. Especially noteworthy is the chapter on the conception of value in the Roman law, which is based upon some fresh investigation and contains some interesting results. The weak point of this history, as of all similar works, is the comparative neglect of the English literature of the 17th and 18th centuries. In fact, the treatment of the English writers generally, even in more recent times, is by no means on a level with the remainder of the work. For example, we find no mention even of the real founder of the marginal-utility theory, Professor Lloyd, nor do we find any reference to Longfield and his followers. Moreover the monograph is didactic rather than critical. It appeals to special students only, and to them it offers little that is new. As a convenient summary of what is already more or less familiar it may, however, make a place for itself in current literature.

Of a slightly different character is the monograph of Dr. Moritz Lindeman entitled *Urbegriffe der Wirtschaftswissenschaft* (Dresden, Böhmert, 1904; xi, 248 pp.). Dr. Lindeman has taken up three fundamental concepts of economics—those of labor, of value and of money prices—and he traces the history of each of these ideas by quoting from a selected list of authors more or less well known in economic literature. He tells us that almost half a century ago he published similar material in a pamphlet which had but little influence at that time. It is very much to be feared that the present monograph will have little more success. He uses a series of quotations to illustrate and test the truth of his own definitions, which seem to be neither very startling nor very new. The authors quoted are of a very miscellaneous character. His

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American authorities would scarcely be recognized as such on this side of the water.

When Professor Sombart published his work on modern capitalism in 1902, one of the many points which attracted attention as well as dissent was his explanation of the origin of modern capital. Contrary to the view usually held, that its source is to be found primarily in the large fortunes heaped up in the new trade with America and the Indies, Professor Sombart contended that it was due rather to the surplus of the land rents in the later middle ages. One of his students, Dr. Jacob Strieder, thought that he would work out this theory on the basis of an inductive study of the great fortunes of Augsburg from the 14th to the 16th centuries. He has published his results in a monograph entitled *Zur Genesis des modernen Kapitalismus* (Leipzig, Duncker & Humblot, 1904; 233 pp.). In the course of his investigation Dr. Strieder was slowly led to doubt and finally to reject the views of his teacher. He shows that instead of the large landed fortunes being suddenly thrown into trade, it was primarily the slow and gradual growth of the trading fortunes themselves which explains the genesis of modern capitalism. These conclusions are based upon a detailed study of each particular family fortune in Augsburg, taking up in turn the early patricians and the individual middle-class families as they worked themselves up and out of the various guilds. With this investigation the inadequacy of Sombart's theory is conclusively proven, so far at least as the important towns of Southern Germany are concerned.

An interesting indication of the important place which the newer city universities of England are destined to occupy in that country's educational system, especially in connection with the study of the social sciences, is afforded by the collections of monographs which some of them are beginning to publish. The *Economic Series* of the University of Manchester is appropriately inaugurated with a valuable study of *The Lancashire Cotton Industry* (Manchester University Press, 1904; vii, 309 pp.), written by Sydney J. Chapman, Stanley Jevons professor of political economy in that institution. In his preface Professor Chapman disclaims any intention of writing a history of the cotton industry. His work is rather, as he modestly describes it, to "be taken fundamentally as some notes for an industrial morphology." So judged it is deserving of the highest praise. It gives the reader a clear picture of the development of what is typical and essential in connection with the growth of cotton manufacturing in Lancashire, without overburdening him with the mass of detail with which the economic historian is so prone to confuse his narrative. Especially valuable is the treatment of

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the labor side of the problem, which is dealt with sympathetically and with philosophical insight. The University of Manchester is to be congratulated upon having begun its economic series on a plane which makes it at once a worthy rival of those of the older universities.

Mr. Arthur Hassall has edited a collection of essays by the late Dr. Stubbs under the title, *Lectures on Early English History* (N. Y., Longmans, Green and Co., 1906; 391 pp.). Some of these lectures are more or less popular restatements of views which are already familiar to those who are acquainted with the author's other published works; such, for instance, are the chapters on the Anglo-Saxon constitution, on feudalism and on the local moots. Other lectures are devoted to the elaboration of technical points of early law and custom and contain much that is new and valuable; such are the chapters on the law and legislation of the Norman kings, the *Dialogus de Scaccario* and on the *Leges Henrici Primi*. About one-half of the volume is taken up by papers on less technical questions pertaining to mediæval law and history; these are especially valuable because they are comparative in character and contain generalizations from the whole field of European history. This portion of the book includes chapters on the elements of nationality among European nations, on the historical origin of European law, on land-holding in mediæval Europe, and on early European constitutions. Quite naturally these essays are of unequal value, many of the views expressed being superseded by later research; for example, we still read of folkland as public land, of William bringing a full-grown feudal system with him, and of the ancient shiremoot as a representative body. The editor has printed the essays as they stand in the manuscripts without attempting to refashion them according to more recent conclusions; and this seems wise, for those who will interest themselves in such a collection will already know their Maitland, Round, Liebermann and Brunner.

The fourth volume of *The History of Englana*, edited by Hunt and Poole (N. Y., Longmans, Green and Co., 1906; xvi, 525 pp.), covers the period from the death of Richard II to the accession of Henry VII. It is written by Professor Charles Oman, whose well-known interest in mediæval warfare gives him a peculiar fitness for writing the political history of this stormy epoch. In method, this volume is similar to its predecessors; its design is to narrate the exploits of kings and barons; and ample material is furnished by the French, Scotch, Welsh and Civil wars, to say nothing of conspiracies against Henry IV and the family feuds reflected in the Paston Letters. More than nineteen-twentieths of the subjects appearing in the index refer to persons or

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battles. The century which saw the disappearance of serfdom, an unprecedented development of national economy (as Professor Cunningham has so clearly shown), and the rise of a class which Brewer makes the basis of Henry VIII's greatest enterprises, is to the editors of this series merely a century of Yorkist and Lancastrian rivalries, with minor accompaniments. This, however, is the theme of Professor Oman's volume, and he has written a clear, scholarly and adequate account which will find a serviceable place in the literature of the period.

The Oxford Press has published a new and convenient edition of de Tocqueville's *L'Ancien Régime* (Oxford, 1904; xvi, 338 pp.), edited by G. W. Headlam. A short life of de Tocqueville, in English, is prefaced to the French original of the work, and the author's notes are supplemented by a few judicious suggestions on the part of the editor, also in English. While it is possible that Mr. Headlam exaggerates the definitive character of de Tocqueville's results, there is no doubt that his volume is by far the most extraordinary essay ever written upon the antecedents of the French Revolution. Moreover, de Tocqueville's style and method of presentation are such as to deserve the most careful study. The Oxford Press has therefore done good service in facilitating the use of this fundamental little treatise.

A Political and Constitutional Study of the Cumberland Road, by Jeremiah Simeon Young (Chicago, The University of Chicago Press, 1904; 106 pp.), is a doctoral dissertation on certain aspects of road-building in the United States which are commonly ignored in the multiplying reprints of early travels and picturesque stories of highways and waterways. Having traced the origin of the Cumberland Road and described its early construction and operation, the author sets forth the ideas of the framers of the constitution, the policy of the general government and the attitude of the states regarding internal improvements. He shows how the national spirit, eager at first for the development of the western country, gave way before the conservatism of the older statesmen of the Jeffersonian stripe, and yielded to the returning self-consciousness of the states least liable to derive advantage from measures involving a further resort to "compacts" or to "implied powers"—the one an evasion, the other a distortion of the organic law. An account of the surrender of the Cumberland Road to the states through which it passed and a series of conclusions terminate the monograph. Some of these conclusions are stated with a degree of certainty that shakes one's faith in the validity of the treatise proper, ascribing as they do to the former national highway a well-nigh exclusive degree of influence upon the moulding of our political and

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constitutional system in general. Three "internal improvements" are especially needed in this study of the Cumberland Road; a more detailed explanation of the term "compacts"; a diminution of the formative power assigned to the highway which will be nearer its relative importance; and the replacement of the frontispiece by a map that will not resemble a piece-work puzzle.

The *Proceedings of the State Historical Society of Wisconsin*, at its annual meeting in 1905, and volume xvii of its *Collections*, edited by Reuben Gold Thwaites (Madison, published by the Society, 1906; 176 pp.; xix, 544 pp.), continue to show the superior work done by that body for the history of the West. Aside from routine reports, several historical papers are printed in the *Proceedings*. Among those of general interest may be mentioned the "First Constitutional Convention in Wisconsin, 1846," and "Slavery in the Old Northwest." The volume of *Collections* is the second of the series dealing with "The French Régime in Wisconsin." It is composed of 150 documents relating to the period from 1727 to 1748, some translated from copies of the originals in the French archives made for the society, some from other sources. The paternalism of the French colonial system, particularly in its treatment of the natives, and the essential weakness of its control over the region of the upper Great Lakes are well illustrated.

A compilation of great value to the student of territorial organization in the United States is that entitled *Executive Journal of Iowa, 1838–1841*, edited by Benjamin F. Shambaugh (Iowa City, The State Historical Society of Iowa, 1906; xxv, 341 pp.). It contains the correspondence and official acts of Robert Lucas, first governor of the territory of Iowa, carefully reproduced from a manuscript recently discovered. Materials of this sort are seldom presented in a volume so attractive in appearance, so convenient for reference and so capably edited.

Professor Frederic L. Paxson has issued as reprints from the *University of Colorado Studies* a number of essays (Boulder, Colorado, published by the University, 1904–1906), among which is a preliminary bibliography of Colorado history, an article with maps on the boundaries of the counties of Colorado, and one on the tripartite intervention in Hayti in 1851.

A recent addition to the "Beacon Biographies" is that of *John Fiske* by Thomas Sergeant Perry (Boston, Small, Maynard and Co., 1906; xii, 105 pp.). Based on an intimate acquaintance with the greatest popularizer of philosophy and history whom the United States has ever produced, the biography traces the growth of a precocious mind, ardent

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in its search for knowledge, into a versatile intellect that strove to render the fruits of learning attractive in form and pleasant in taste. It describes a literary career to the neglect of character and personality. We miss a sympathetic portraiture of the man himself, of the genial story-teller whose books, though not standards of scholarship, are altogether interesting, and hence possess a primary virtue that learned treatises too often lack.

The Political History of Europe, from 1815 to 1848, is the title of a two-hundred-page volume by Professor Carroll of Baylor University (The Baylor University Press; no date). According to the author's preface it is designed to give an accurate if somewhat succinct account of European political history after the fall of Napoleon. It does not pretend to be based on sources, and apparently the only authority mentioned is Lord's *Beacon Lights of History*. The book, however, displays considerable historical reading, and contains a few useful suggestions and apt quotations. In some respects it is a literary curiosity; it is written in an English more vigorous than elegant, and was evidently prepared in great haste. The historical philosophy dominating the author is indicated in the following statement, *àpropos* of the economic interpretation of history: "Sauerkraut is great in its effects, but not as a maker of history" (p. 14). All things considered, the book seems to have no justification for its existence.

M. Ed. Clavery, of the French consular service, has published within the last three years three monographs on Far Eastern subjects. The first of these, *Les Étrangers au Japon et les Japonais à l'Étranger* (Paris, Berger-Levrault et Cie, 1904; 30 pp.), relates to the part which foreigners, and Frenchmen in particular, have played in the transformation of modern Japan, and to the development of Japanese emigration in the past twenty years. It appears that in 1880 the number of Japanese residing abroad was 5440; in 1902, it was 139,553, divided chiefly between Corea, Canada, the United States and the Hawaiian Islands. These emigrants are mostly agricultural laborers, fishermen and small tradesmen; but the number of Japanese students sojourning in or visiting Western countries steadily increases. In another short paper, entitled *Les Établissements des Détroits* (Paris, Société de l'Annuaire Colonial; 37 pp.), M. Clavery gives a sketch of the Straits Settlements and of their commercial activities. The Straits Settlements enjoy the distinction of being the most prosperous of the British crown colonies. M. Clavery's account of them is based on the English official documents, and comprises chapters on their population, their finances and their administrative organization, and on their com-

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merce, their industries and their navigation. In yet another pamphlet, of fifty pages, entitled *Hong Kong, le Passé et le Présent* (Paris, Libraire de l'Annuaire Colonial), M. Clavery endeavors to set forth the special functions and the life itself of this great British emporium in the Far East. After an introductory account of the origin and development of the colony, he gives a survey of the present situation, embracing the administrative organization, the finances and the movements of commerce and industry. He shows that about forty-two per cent of the merchandise exchanged between China and Hong Kong proceeds to or from the British empire; but he also shows that the commerce of Hong Kong with French Indo-China is rapidly increasing.

Dr. Georg von Mayr's monograph entitled *Begriff und Gliederung der Staatswissenschaften* (second edition, revised and enlarged; Tübingen, H. Laupp, 1906) is an attempt to assign to the "political sciences" their proper place among the social sciences, to classify them upon a logical basis and to describe their interrelations. Following the terminology of the older German writers he prefers the plural form, *Staatswissenschaften*, to designate the totality of knowledge relating to the state, but he rejects the classifications of von Mohl and Holtzendorff as being out of date. He employs the term "political sciences" both in a "literal" and in a secondary or "derivative" sense. In the former sense, they include those sciences which deal exclusively with the phenomena of the state, such as general political theory, general constitutional law, general administrative law, international law, *etc.* In the latter sense they include those sciences which deal only incidentally with the state or some of its relations, such as sociology, statistics, economics, jurisprudence, *etc.* There are excellent bibliographies at the end of each chapter.

Dr. Eugen Fridrichowitz, in his *Kurzgefasstes Kompendium der Staatswissenschaften* (Berlin, S. Calvary, 1903, 1904) meets, no doubt, a crying need in a country where doctors in political science are produced in large numbers. The *Kompendium* consists of ten little catechisms, varying in length from 85 to 220 pages, each covering by questions and answers some branch of political science. Fortified with the wisdom of these volumes, a candidate should be able to meet without fear the severest body of examiners.

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